



City of Tacoma
Finance Department

September 10, 2025

Digital Assurance Certification LLC
Attn: Shelley Rodgers
390 North Orange Avenue, Ste. 1750
Orlando, FL 32801

SUBJECT: 2024 Ongoing Disclosure of Financial Information and Operating Data
City of Tacoma, Washington, Department of Public Utilities,
Water Division – Regional Water Supply System CUSIP #87354T

This submission is City of Tacoma, Washington, Department of Public Utilities, Water Division – Regional Water Supply System's (RWSS) annual financial and operating data for 2024 for the following bond issues:

Regional Water Supply System Revenue Bonds, 2010
Regional Water Supply System Revenue Bonds, 2024

Enclosed with this letter are the unaudited financial statements for the Regional Water Supply System, City of Kent, and Covington Water District. Audited financial statements are enclosed for Tacoma Water.

The information provided in this submission speaks only as of its date and is subject to change without notice. The submission of this information may not create an implication that there has been no change to the information provided. The Division has not agreed to notify the secondary market of subsequent changes to the information provided.

Sincerely,

DocuSigned by:

1E7F48CBF27C40A...
Susan Calderon, CPA
Assistant Finance Director/Controller

Enclosures

REGIONAL WATER SUPPLY SYSTEM
STATEMENTS OF NET POSITION

(UNAUDITED)

	YEAR ENDED DECEMBER 31,	
	2024	2023
ASSETS		
UTILITY PLANT		
Water Plant in Service	\$346,449,218	\$345,805,780
Less Depreciation and Amortization	(126,123,676)	(117,565,724)
Total	220,325,542	228,240,056
Construction work in progress	3,445,475	2,220,058
Net Utility Plant	223,771,017	230,460,114
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
Provision for Debt Payment	(409,416)	164,252
Special Bond Reserves	4,217,163	8,475,274
Total Restricted Assets	3,807,747	8,639,526
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Regional Water Supply System Operating Fund	2,584,176	87,369
Receivables:		
Others	1,888,318	1,148,511
BABs Interest Subsidies	477,653	477,653
Prepayments	237,996	165,652
Total Current Assets	5,188,143	1,879,185
OTHER ASSETS		
Unamortized Debt Expenses	-	143,590
Total Deferred Charges	-	143,590
TOTAL ASSETS	\$232,766,907	\$241,122,415

	YEAR ENDED DECEMBER 31,	
	2024	2023
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$151,898,543	\$141,504,861
Unrestricted	510,979	560,920
Total Net Position	152,409,522	142,065,781
LONG-TERM DEBT		
Revenue Bonds Outstanding:		
2010 RWSS Revenue Bonds, Series B	43,875,000	44,245,000
2013 RWSS Revenue Bonds	-	45,360,000
2024 RWSS Revenue Bonds	25,900,000	-
Plus: Unamortized Bond Premium	2,874,637	3,039,117
Total Long-Term Debt	72,649,637	92,644,117
CURRENT LIABILITIES		
Purchases and Contracts Payable	72,588	491
Interest Expense Accrued	327,452	400,348
Current Portion of Long-Term Debt	3,440,000	4,930,000
Total Current Liabilities	3,840,040	5,330,839
OTHER LIABILITIES		
Unamortized Gain on Refunding of Bond	2,531,827	-
Deferred Revenue - Operating Reserve (1)	1,335,881	1,081,678
Total Liabilities	3,867,708	1,081,678
Total Liabilities	80,357,385	99,056,634
TOTAL NET ASSETS AND LIABILITIES	\$232,766,907	\$241,122,415

Note 1 - Includes reserve for timing differences between RWSS operating expenditures and reimbursement from Partners

REGIONAL WATER SUPPLY SYSTEM
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(UNAUDITED)

	YEAR ENDED DECEMBER 31,	
	2024	2023
OPERATING REVENUES		
CRO - Debt Service	\$8,126,163	\$6,619,274
CRO - O&M	5,565,264	6,369,245
CRO - Capital	2,193,934	910,450
Total Operating Revenues	15,885,361	13,898,969
OPERATING EXPENSES		
Operations	246,093	361,088
Production	4,377,352	5,612,027
Administrative and General	683,551	468,103
Depreciation and Amortization	8,560,067	8,554,127
Total Operating Expenses	13,867,063	14,995,345
Net Operating Income	2,018,298	(1,096,376)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	403,531	452,777
Miscellaneous	(315,792)	-
Interest on Long-Term Debt	(4,216,753)	(4,915,205)
Interest on LT Debt BAB Subsidies	-	-
Amort. Of Debt Premium, Disc. And Expense	1,054,896	586,990
Transfer from Other Government	10,580,728	-
Total Non-Operating Revenues (Expenses)	7,506,610	(3,875,438)
Net (Loss) Income Before Capital Contributions and Transfers	9,524,908	(4,971,814)
Capital Contributions		
Cash	-	(1,881)
Federal BAB Subsidies	818,833	818,833
CHANGE IN NET POSITION	10,343,741	(4,154,862)
TOTAL NET POSITION - JANUARY 1	142,065,781	146,220,643
TOTAL NET POSITION - DECEMBER 31	<u>\$152,409,522</u>	<u>\$142,065,781</u>

Table I

SCHEDULE OF DEBT SERVICE REQUIREMENTS

Year	The Bonds		Total Parity Bonds
	Principal	Interest	
2025	\$3,440,000	\$3,929,436	\$7,369,436
2026	3,590,000	3,756,064	7,346,064
2027	3,775,000	3,575,135	7,350,135
2028	3,955,000	3,384,901	7,339,901
2029	4,170,000	3,185,630	7,355,630
2030	4,365,000	2,975,554	7,340,554
2031	4,595,000	2,755,671	7,350,671
2032	4,435,000	2,523,096	6,958,096
2033	4,495,000	2,298,427	6,793,427
2034	4,655,000	2,045,763	6,700,763
2035	4,830,000	1,784,105	6,614,105
2036	5,005,000	1,512,611	6,517,611
2037	5,185,000	1,231,280	6,416,280
2038	5,375,000	939,831	6,314,831
2039	5,570,000	637,702	6,207,702
2040	5,775,000	324,613	6,099,613
TOTAL	\$73,215,000	\$36,859,819	\$110,074,819

2010 Bond Issue Official Statement Page 14

2024 Bond Issue Official Statement Page 17

Table II

Net Loss before Capital Contributions	\$(1,055,820)
Capital Contributions	
Cash	-
Federal BAB Subsidies	818,833
Depreciation	8,560,067
Interest Charges	3,161,857
Net Income Available for Debt Service	\$11,484,937
Debt Service on Outstanding Bonds	\$7,896,252
Debt Service Coverage	1.45

Note 1 - As owner/operator of the Second Supply Project, Tacoma Water directly pays all operating, capital and debt service obligations on behalf of the partnership and in turn invoices the City of Kent, Covington Water District and Lakehaven Utility District for their contracted share of the expenses. Operating expenses are billed monthly on a reimbursement basis, capital expenditures are billed each quarter and debt service is accrued monthly and paid when due. Because all RWSS expenses are paid as "Contract Resource Obligations" of each of the RWSS Partners, debt service coverage is not monitored in isolation for the RWSS, but Tacoma Water has covenanted with bond owners to ... "provide Gross Revenues of the Water System sufficient, together with amounts on deposit in the Revenue Fund and available for such purpose (including Participants' Payments), to pay all Regional Supply System Costs and all obligations against Gross Revenues of the Water System." This obligation is senior in lien to those of the Water System Parity Bonds, which have separate requirements for Debt Service Coverage. See RWSS Investor Webpage for more information: <https://www.mytpu.org/about-tpu/tacoma-water-investor.htm>

Note 2 - Net Loss before Capital Contributions calculation excluded \$10,580,728 of Covington Water District's debt service obligation which Covington paid directly and not through the Division.