

# Tacoma Water Financial Outlook

**3rd Quarter 2023**

November 15, 2023



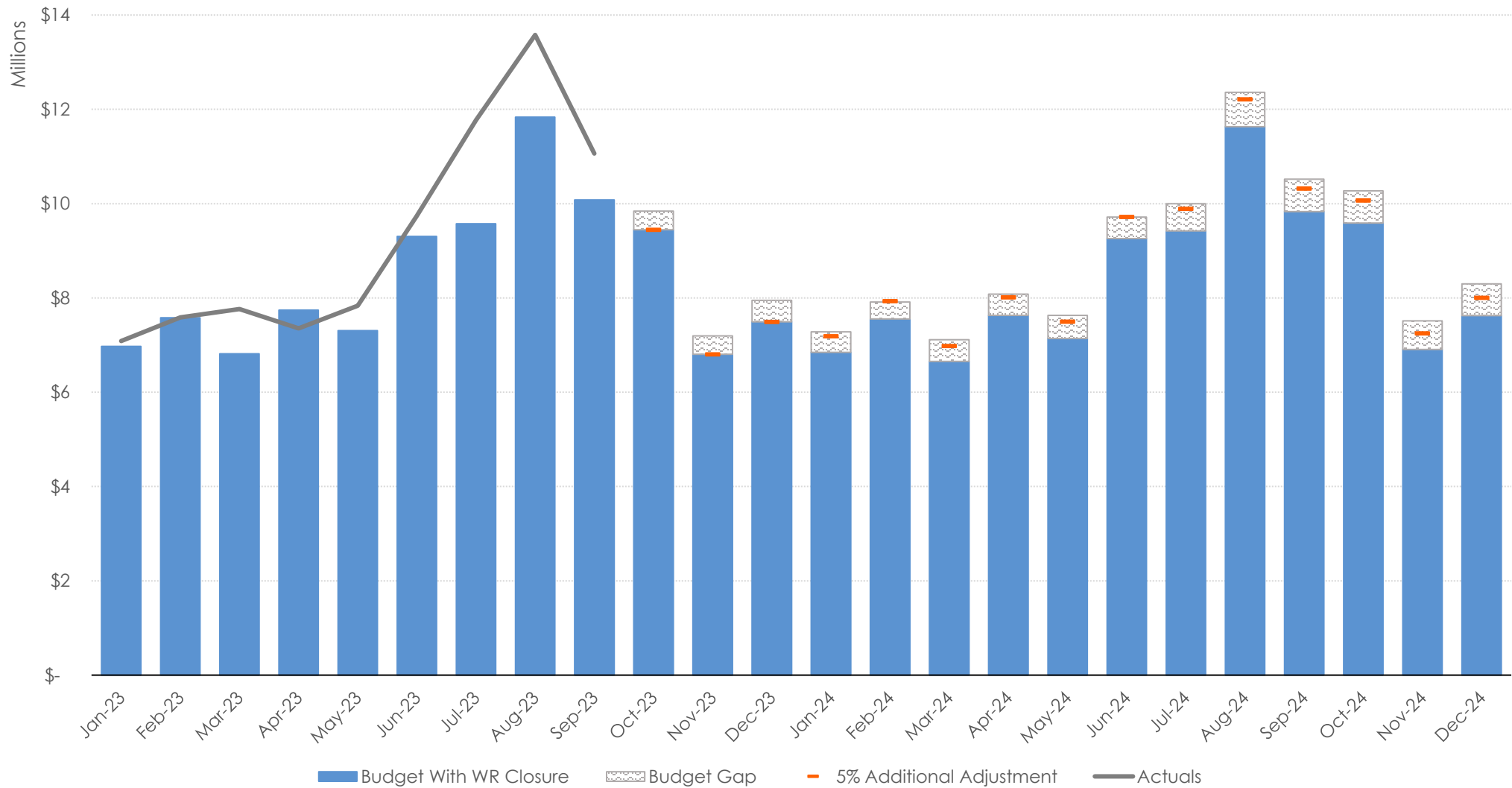
# 2023/2024 Biennium Summary of Financial Outlook

*This report incorporates actual revenues and expenditures through September with projections for the remainder of the biennium*

- **Forecast for total revenue is \$5.6M or 3% over budget**
  - Q3 challenges: Abrupt announcement of the WestRock Tacoma mill closure
  - Q3 strengths: Strong summer water sales
  - Q4 outlook: Public Utility Board and City Council decision regarding additional rate increase for 2024 will impact revenue projections for the biennium
- **Forecast for operating expenditures is \$719,000 under budget**
  - Q3 challenges: Anticipating operational impacts due to mill closure, ongoing supply chain disruptions, employee safety and retention
  - Q3 strengths: Professional, prepared staff and long-range planning
  - Q4 outlook: Ongoing analysis of system changes and related expenses, refine projected impacts of enterprise-wide technology projects, regulatory issues including PFAS

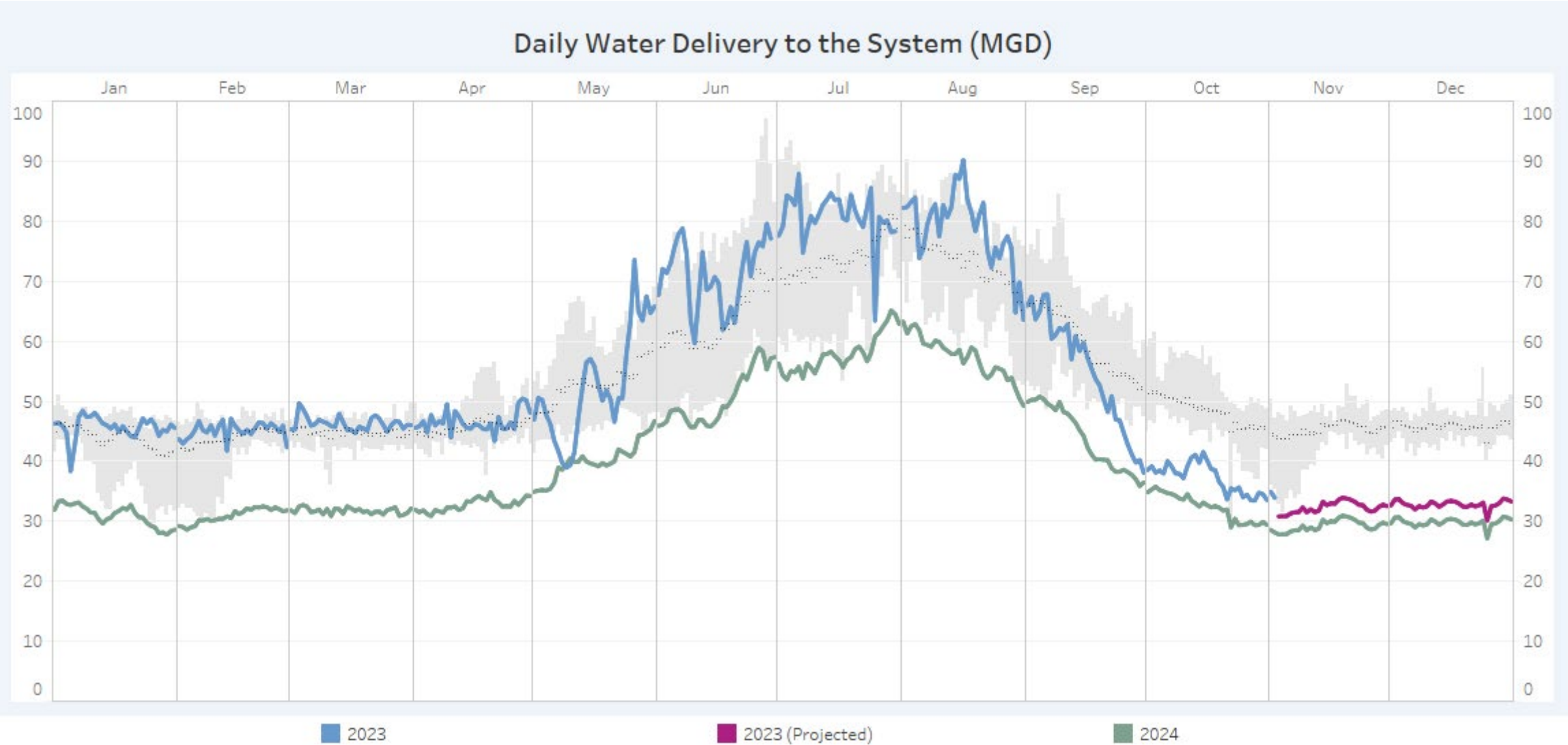
# Billed Water Sales (Revenue)

Budget with WestRock (WR) closure includes 4% system average rate increase approved in 2022. Budget Gap, or the total difference from budget, is projected to be \$7.9 M. The proposed additional 5% rate increase for 2024 recovers nearly \$5 M, leaving about \$2.9 M coming from reserves.



# Unprecedented Reduction in Water Demand

Projections for average daily water delivery in 2024 are significantly lower than we've seen over the period 2014-2022 and requires changes to our system to ensure we are able to continue to meet our mission to provide clean, reliable water for our customers.



# 2023/2024 Biennium Forecast vs. Budget

## 1. Residential Water Sales

- Billed Residential Water Sales were \$2.1 million over budget for the third quarter, this class was slightly under budget at the end of the second quarter and strong summer sales bring the 2023 year to date revenue forecast to \$1.8 million over budget
- Increased demand was primarily due to lower than normal rainfall levels over the summer
- Projections for 2024 include the assumption of 5% system average rate increase that is being considered by the Public Utility Board and Tacoma City Council, this is in addition to the 4% system average approved in 2022

## 2. Pulp Mill Water Sales

- On August 1, 2023 WestRock announced closure of the Tacoma mill
- They have been working to dismantle infrastructure and water consumption has been ramping down since early September and is expected to continue to decline through early 2024 when they close completely
- Projections include current assumptions for the shut-down and loss of revenue

## 3. Other Water Sales

- The largest increase in this category was in Parks & Irrigation with revenue \$1.4 million over budget during the third quarter, characteristics of this class include spiky demand and volatility and dry summer weather generally increases demand in this class
- In the third quarter, we also saw increased revenue from the Commercial and Large Volume classes as well as Private Fire
- Projections for 2024 include implementation of proposed additional 5% rate increase

# 2023/2024 Biennium Forecast vs. Budget

## 4. Non-Operating Revenue

- Non-Operating revenue is about \$1.9 million over budget due to higher than planned interest earned on cash balances, our plan is conservative
- The projection does not include assumptions for the adjustment of the cash investments to fair market value that occurs at the end of each year

## 5. Personnel Expense

- Actual personnel expense is under budget by only about \$879,000 with 31 vacancies at the end of the third quarter
- Projections include timing adjustments to account for three payday months

## 6. Supplies, Other Services & Charges

- Projections include assumptions for increased costs related to technology projects including the SAP transition
- Assessments are about \$442,000 under budget, primarily in Customer Service
- Credits to bad debt expense, \$388,000 this year, help offset some of the increases
- There are still many unknowns, including the costs of additional work currently being scoped to maintain the hydraulics, water quality, and infrastructure of the water system after the closure of the WestRock mill

## 7. Taxes

- Taxes are over budget in 2023 primarily due to increased revenue in the third quarter
- Projections for 2024 include implementation of proposed additional 5% rate increase

# 2023/2024 Biennium Forecast vs. Budget

## 8. Total Revenue less Total Expenditures

- Projected to be nearly \$6.4 million over budget based on these updates

## 9. Capital Outlay

- The 2023/24 capital plan is funded entirely from operating and capital reserves and includes a carryforward factor reduction of \$7.9 million to the overall capital budget to account for projects that span biennia
- We are monitoring the capital plan and several projects are forecast to be higher than budgeted, currently we expect that these increases will be offset by lower spending in other projects including contingency
- As part of the project review and adjustments related to the WestRock closure, several projects that were budgeted for this biennium have been paused and they will be evaluated at a later date to determine when they will be needed
- During this review, new projects were identified due to system changes and these projects are currently being evaluated and scoped for inclusion in 2023/24

## 10. Projected Cash Ending Cash Balance

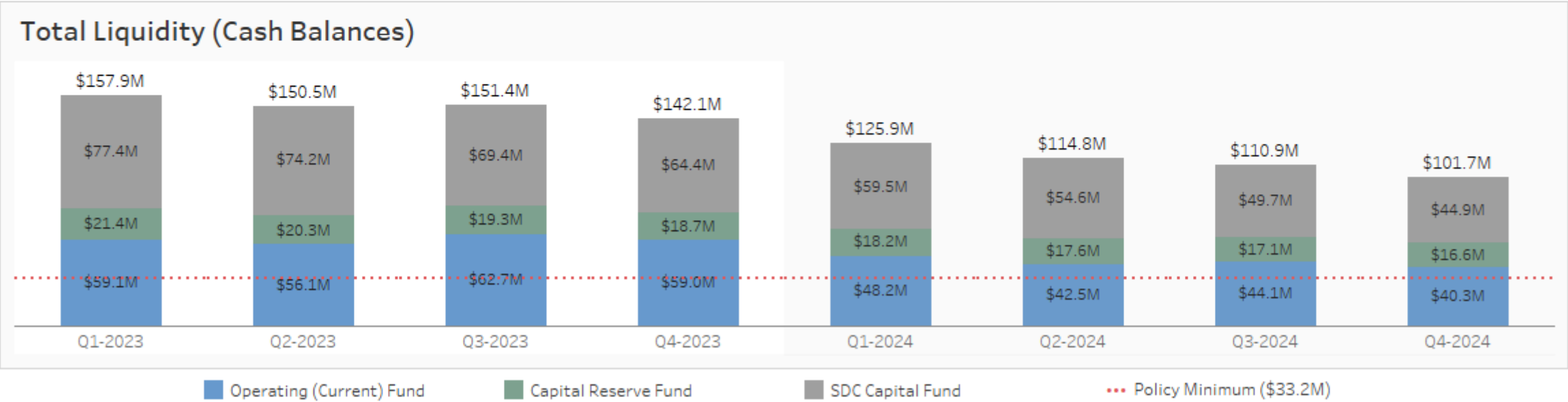
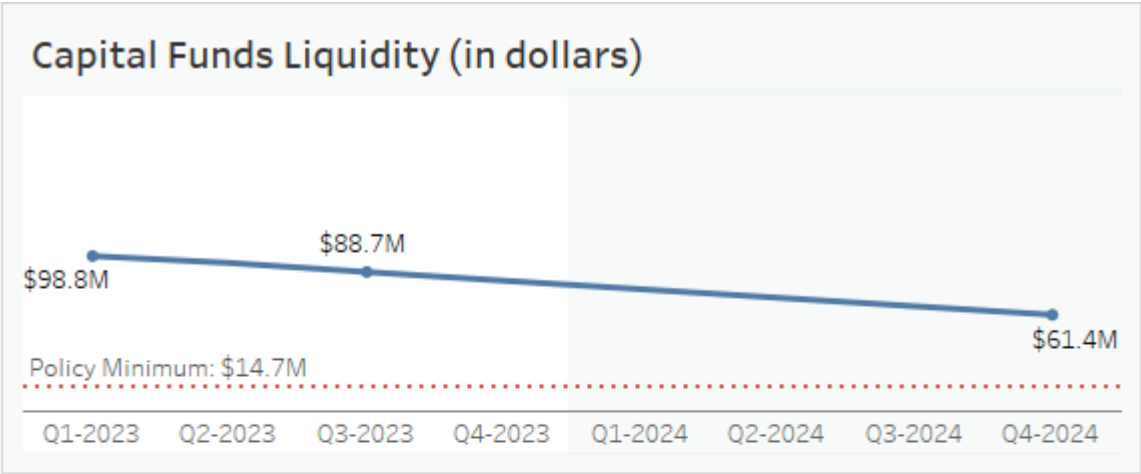
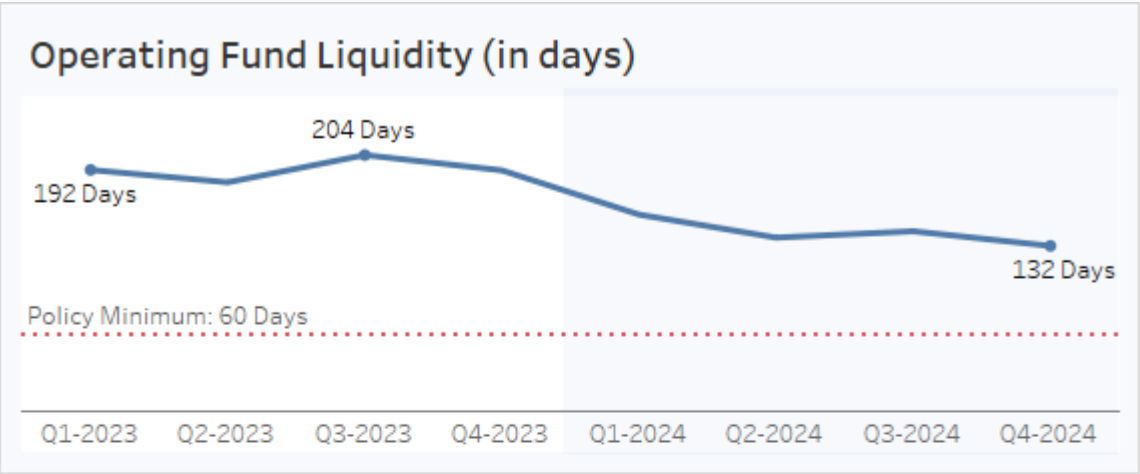
- Operating reserve spend down is projected to be \$20 million this biennium
- The cash balance projection includes adjustments for working capital to date to reflect changes in accounts receivables, payables and accruals

# 2023/2024 Biennium Forecast vs. Budget

All \$'s in 1000's	2023 Budget	2023 Forecast	2023 Difference	2024 Budget	2024 Forecast	2024 Difference	Total Biennium Budget	Total Biennium Forecast	Biennium Difference \$	Biennium Difference %
<b>Revenue</b>										
Residential Water Sales	71,451	73,290	1,839	74,621	78,352	3,731	146,072	151,642	5,570	(1) 4%
Pulp Mill Water Sales	7,607	6,784	(823)	7,912	1,365	(6,547)	15,519	8,149	(7,370)	(2) -47%
Wholesale Water Sales	2,812	2,661	(151)	2,937	3,083	146	5,749	5,744	(5)	0%
Other Water Sales	20,327	24,799	4,472	21,229	22,290	1,061	41,556	47,089	5,533	(3) 13%
Other Operating Revenue	3,652	3,652	-	3,711	3,711	-	7,363	7,363	-	0%
<b>Total Operating Revenue</b>	<b>105,849</b>	<b>111,186</b>	<b>5,337</b>	<b>110,410</b>	<b>108,801</b>	<b>(1,609)</b>	<b>216,259</b>	<b>219,987</b>	<b>3,728</b>	<b>2%</b>
Non-Operating Revenue (includes BAB's subsidy)	3,737	5,656	1,919	3,387	3,387	-	7,124	9,043	1,919	(4) 27%
<b>Total Revenue</b>	<b>109,586</b>	<b>116,842</b>	<b>7,256</b>	<b>113,797</b>	<b>112,188</b>	<b>(1,609)</b>	<b>223,383</b>	<b>229,030</b>	<b>5,647</b>	<b>3%</b>
<b>Expenditures</b>										
Personnel Costs	35,596	34,032	(1,563)	37,547	37,547	-	73,143	71,579	(1,564)	(5) -2%
Supplies, Other Services & Charges	36,678	34,207	(2,471)	38,215	40,270	2,055	74,893	74,477	(416)	(6) -1%
Debt Service	23,928	23,928	-	22,171	22,171	-	46,099	46,099	-	0%
Taxes	14,961	16,463	1,502	15,520	15,279	(241)	30,481	31,742	1,261	(7) 4%
<b>Total Expenditures</b>	<b>111,163</b>	<b>108,630</b>	<b>(2,533)</b>	<b>113,453</b>	<b>115,267</b>	<b>1,814</b>	<b>224,616</b>	<b>223,897</b>	<b>(719)</b>	<b>0%</b>
<b>Total Revenue less Total Expenditures</b>	<b>(1,577)</b>	<b>8,212</b>	<b>9,789</b>	<b>344</b>	<b>(3,079)</b>	<b>(3,423)</b>	<b>(1,233)</b>	<b>5,133</b>	<b>6,366</b>	<b>(8)</b>
Reconciling Cash Items		877								
<b>Appropriation from Current Fund</b>	<b>(1,577)</b>	<b>8,212</b>	<b>9,789</b>	<b>344</b>	<b>(3,079)</b>	<b>(3,423)</b>	<b>(1,234)</b>	<b>5,133</b>	<b>6,366</b>	
<b>Capital Outlay Financing Detail</b>										
Funded from Operating Reserve	12,692	10,451	(2,241)	12,692	15,655	2,963	25,384	26,106	722	3%
Funded from Capital Reserves	23,684	25,285	1,601	23,684	22,083	(1,601)	47,368	47,368	-	0%
<b>Total Capital Outlay</b>	<b>36,376</b>	<b>35,736</b>	<b>(640)</b>	<b>36,376</b>	<b>37,738</b>	<b>1,362</b>	<b>72,752</b>	<b>73,474</b>	<b>722</b>	<b>(9) 1%</b>
<b>Debt Service Coverage Ratio</b>		<b>2.66x</b>			<b>1.88x</b>			<b>1.88x</b>		
<b>EOY Current Fund (Jan 2023 Beg Balance \$60,380)</b>		<b>59,018</b>			<b>40,284</b>			<b>40,284</b>	<b>(10)</b>	

*Includes projected impacts of WestRock closure announced on 8/1/2023 and proposed 5% system average rate increase for 2024 that is in addition to 4% approved in 2022*

# 2023/2024 Projected Liquidity & Cash Balance as of 9/30/23



Includes projected impacts of WestRock closure announced on 8/1/2023 and proposed 5% system average rate increase for 2024 that is in addition to 4% approved in 2022

# Tacoma Power Financial Outlook

**3rd Quarter 2023**

November 15, 2023

## Forecasting Practices



- September 2023 Actuals
- Adverse water conditions
- 2023 load forecast adjusted for WestRock closure
- Budgeted Personnel and O&M expenditures
- Project estimates of capital spending

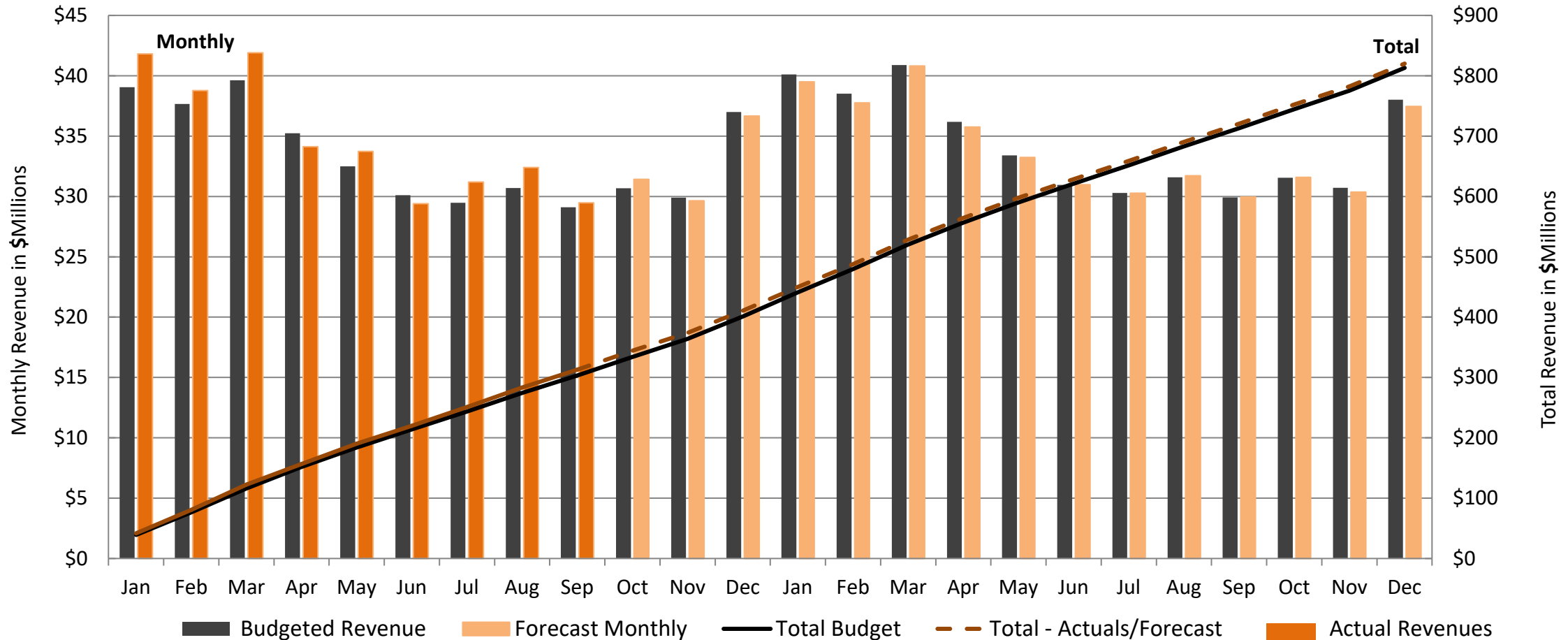
## • **Forecast for total revenue is \$96.7 million more than budget**

- Q3 Strengths: Retail sales above projections, Wholesale market prices were 195% higher than the budgeted prices.
- Q3 Challenges: Inflows to our hydro projects were below adverse through third quarter due to a dry water year.
- Q4 Outlook: High wholesale market prices projected through year-end.

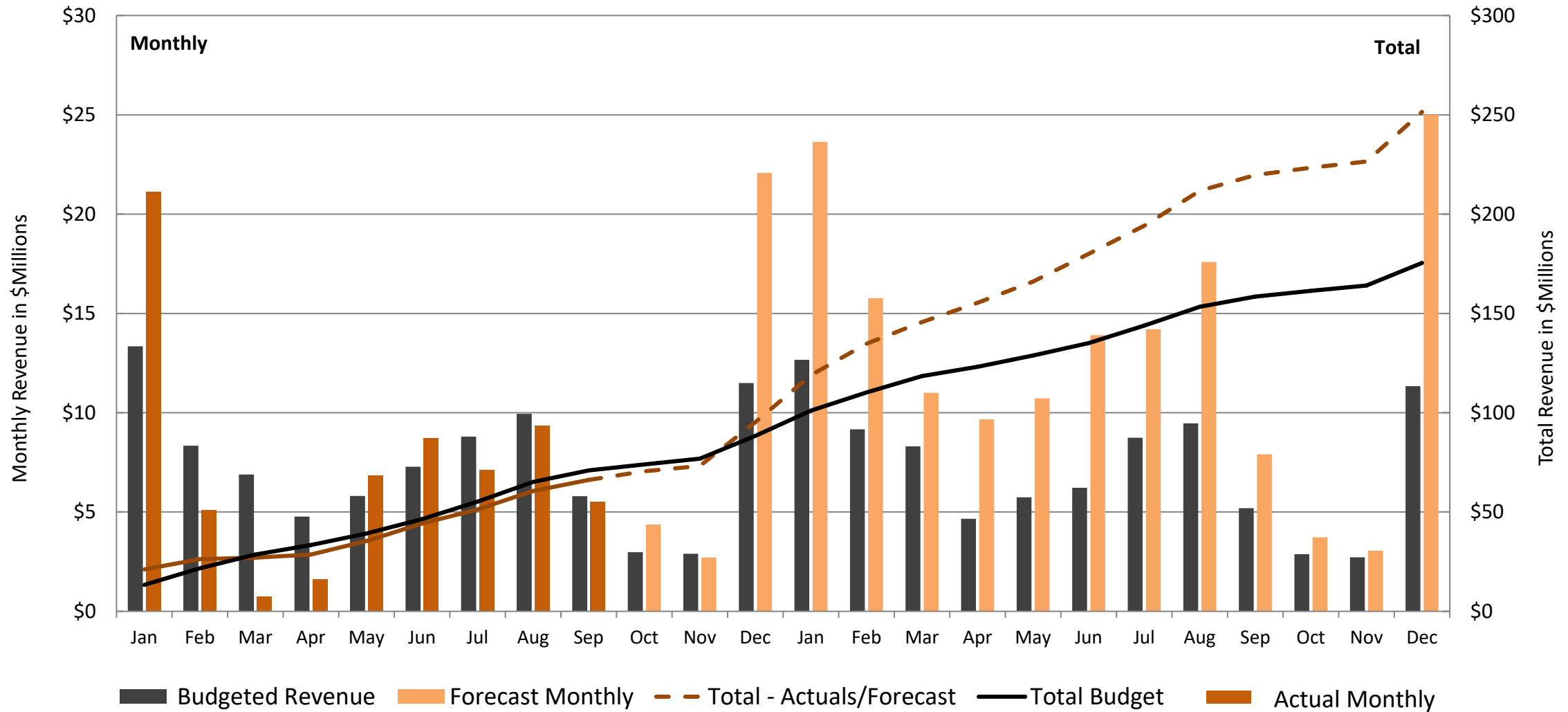
## • **Forecast for total expenditures is \$4.7 million less than budget**

- Q3 Strengths: Most expenses are currently under budget through Q3.
- Q3 Challenges: Increase in power purchases due to dry water conditions.
- Q4 Outlook: Forecasted increase in power purchase expenses and taxes due to high wholesale prices.

# 2023/2024 Electric Retail Revenues



# 2023/2024 Gross Wholesale Revenues



# 2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

## Forecast for Revenue More Than Budget: \$96.6 million (9.1%)

1. Retail Revenues: forecast to be \$6.8 million more than budget (0.8%).
  - Retail revenues were \$9.4 million more than budget through third quarter mostly due to colder than normal weather through April which increased heating loads.
  - Future retail revenues are expected to be below budget due to the loss of WestRock.
2. Gross Wholesale Revenues: forecast is \$76 million more than budget (43.3%).
  - Gross biennium wholesale revenues through third quarter were \$4.8 million lower than budget due to poor hydro conditions.
  - Wholesale power prices through Q3 were approximately 195% higher than what was assumed in the budget.
  - Water inflows to our hydro projects are below adverse through September 2023, despite the promising snowpack levels due to an early spring runoff and dry conditions through summer.
  - Forecasts reflect higher wholesale sales and projected power market prices vs. budgeted values in future months.
3. Other Electric Revenues: forecast is \$7.6 million more than budget (14.5%)
  - Other electric revenues more than budget due to higher than planned interest revenues, lease revenues, and energy efficiency incentives from BPA .

# 2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

## Forecast for Expenditures Less Than Budget: -\$4.7 million (-0.4%)

4. Purchased power expenses: forecast is \$4.7 million more than budget (1.4%)
  - Overall, purchased power expenses are \$13.9 million under budget through Q3 2023.
    - BPA purchases are \$7.9 million under budget due to a reduction in load from the loss of WestRock and a rate reduction credit we are receiving this year.
  - Wholesale purchases through the end of the biennium are forecasted higher than budget due to high wholesale market prices.
5. Personnel expenses: forecast is \$6.2 million less than budget (-2.4%)
  - Actual personnel expenses were under budget through Q3 2023 by approximately \$6.3 million.
  - Future personnel expense forecasts reflect approved budget.
6. Supplies, Other Services, & Charges: forecast is \$23.8 million less than budget (-11.8%)
  - Biennium spending through Q3 2023 is under budget by \$24 million.
  - This underspend is related to timing differences between planned spending and when actual costs occurred, planned projects that have not yet started and costs that have been moved to capital, primarily in external contracts and professional services.
  - Payments on arrearages have resulted in negative bad debt expense of -\$2.6M through September.

# 2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

## Forecast for Expenditures, Less Than Budget: -\$4.7 million (cont.)

7. Revenue funded capital expenses: forecast to be \$9.4 million more than budget (11.4%)
  - Actual biennium revenue-funded capital spending is \$4 million more than budget through Q3 2023, with temporary funding of all Q3 project expenses from revenues.
  - With forecasted reimbursement, revenue-funded capital is projected to be under budget by the end of the biennium.
8. Taxes: forecast is \$11.0 million more than budget (8.9%)
  - Our Gross Earnings Taxes through Q3 2023 are higher than budget mostly due to high wholesale revenues.

Overall, we are forecasting total expenditures to be less than budget, not including bond-funded capital spending.

## Forecast for Net Revenues More Than Budget: \$101.4 million

9. Net Revenue forecast to be \$101.4 million more than budget, not including our bond-funded capital spending.

# 2023/2024 Biennium Forecast vs. Budget

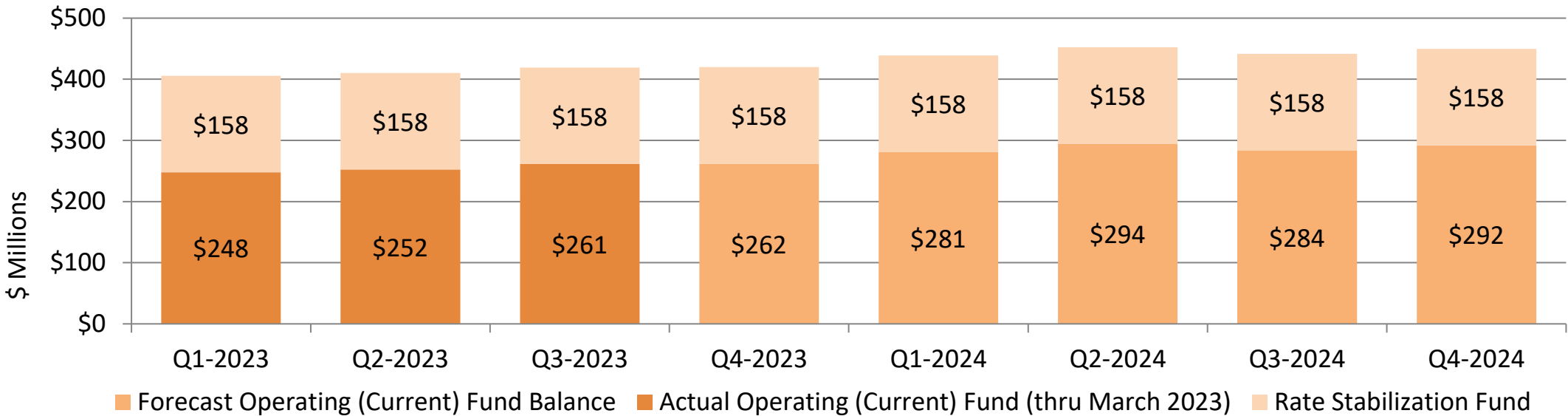
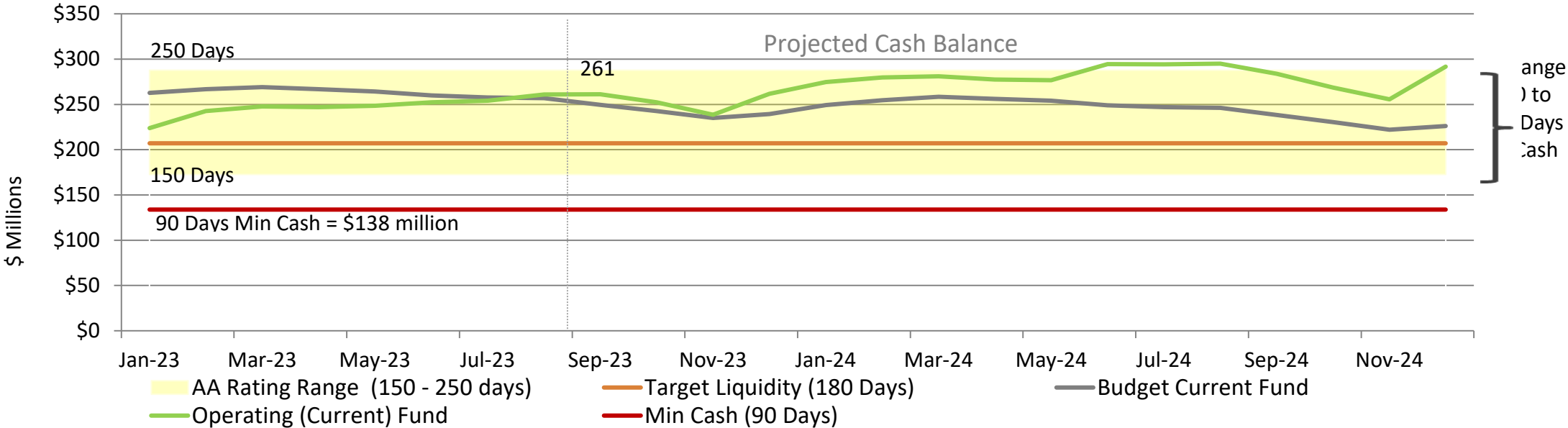
## Tacoma Power 2023/2024 Biennium Adjusted Estimates Comparison to Budget

as of 9/30/2023

All \$'s in 1000's

	2023 Budget	2023 Actual / Forecast	2023 Difference	2024 Budget	2024 Forecast	2024 Difference	Total Biennium Budget	Total Biennium Actual	Biennium Difference	Note	Biennium Diff. (%)
<b>Revenue</b>											
Retail Sales	\$401,034	\$410,572	\$9,538	\$412,109	\$409,375	(\$2,734)	\$813,143	\$819,947	\$6,804	(1)	0.8%
Bulk Power (wholesale) Sales	\$88,337	\$95,297	\$6,960	\$87,109	\$156,158	\$69,049	\$175,446	\$251,454	\$76,008	(2)	43.3%
Other Electric Revenue	\$24,047	\$31,635	\$7,588	\$28,428	\$28,428	\$0	\$52,475	\$60,063	\$7,588	(3)	14.5%
<b>Total Operating Revenue</b>	<b>\$513,418</b>	<b>\$537,504</b>	<b>\$24,086</b>	<b>\$527,646</b>	<b>\$593,961</b>	<b>\$66,315</b>	<b>\$1,041,064</b>	<b>\$1,131,465</b>	<b>\$90,401</b>		8.7%
Other Income	\$11,494	\$16,033	\$4,540	\$12,295	\$14,024	\$1,730	\$23,788	\$30,058	\$6,269		26.4%
<b>Total Revenue</b>	<b>\$524,912</b>	<b>\$553,537</b>	<b>\$28,625</b>	<b>\$539,940</b>	<b>\$607,985</b>	<b>\$68,045</b>	<b>\$1,064,852</b>	<b>\$1,161,523</b>	<b>\$96,670</b>		9.1%
<b>Expenses</b>											
Purchased Power & RECs	\$175,354	\$165,900	(\$9,454)	\$176,643	\$190,860	\$14,216	\$351,997	\$356,760	\$4,762	(4)	1.4%
Personnel Costs	\$126,681	\$120,461	(\$6,220)	\$136,522	\$136,522	\$0	\$263,204	\$256,983	(\$6,220)	(5)	-2.4%
Supplies, Other Services & Charges	\$103,339	\$79,546	(\$23,793)	\$98,555	\$98,555	\$0	\$201,894	\$178,101	(\$23,793)	(6)	-11.8%
Revenue Funded Capital Outlay	\$41,319	\$45,357	\$4,039	\$41,319	\$46,722	\$5,404	\$82,637	\$92,079	\$9,442	(7)	11.4%
Debt Service	\$32,137	\$32,608	\$470	\$35,922	\$35,517	(\$405)	\$68,059	\$68,125	\$66		0.1%
Taxes	\$60,797	\$65,476	\$4,679	\$62,696	\$69,038	\$6,342	\$123,493	\$134,514	\$11,021	(8)	8.9%
<b>Total Expenses</b>	<b>\$539,628</b>	<b>\$509,347</b>	<b>(\$30,280)</b>	<b>\$551,657</b>	<b>\$577,215</b>	<b>\$25,558</b>	<b>\$1,091,285</b>	<b>\$1,086,562</b>	<b>(\$4,723)</b>		-0.4%
<b>Total Revenues less Expenses</b>	<b>(\$14,716)</b>	<b>\$44,190</b>	<b>\$58,906</b>	<b>(\$11,717)</b>	<b>\$30,770</b>	<b>\$42,487</b>	<b>(\$26,432)</b>	<b>\$74,960</b>	<b>\$101,393</b>	(9)	
<b>Capital Outlay Financing Detail</b>											
Revenue Funded Capital Spending	\$41,319	\$45,357	\$4,039	\$41,319	\$46,722	\$5,404	\$82,637	\$92,079	\$9,442		11.4%
Funded From Bond Fund	\$48,371	\$23,493	(\$24,878)	\$48,371	\$50,776	\$2,405	\$96,742	\$74,269	(\$22,473)		-23.2%
<b>Total Capital Outlay</b>	<b>\$89,690</b>	<b>\$68,850</b>	<b>(\$20,840)</b>	<b>\$89,690</b>	<b>\$97,499</b>	<b>\$7,809</b>	<b>\$179,379</b>	<b>\$166,348</b>	<b>(\$13,031)</b>		-7.3%
<b>Ratios</b>	<b>2023 Budget</b>	<b>2023 Forecast</b>	<b>2023 Diff.</b>	<b>2024 Budget</b>	<b>2024 Forecast</b>	<b>2024 Diff.</b>					
Debt Service Coverage Ratio	1.83	3.75	1.92	2.03	3.18	1.15					
Days Liquidity	339	392	53	322	365	43					
EOY Rate Stabilization Fund Balance	\$63,000	\$158,000	\$95,000	\$63,000	\$158,000	\$95,000					
EOY Current Fund Balance	\$239,410	\$261,753	\$22,343	\$226,213	\$291,747	\$65,534					
<b>Total Liquidity</b>	<b>\$302,410</b>	<b>\$419,753</b>		<b>\$289,213</b>	<b>\$449,747</b>						

# 2023/2024 Projected Liquidity Balance as of 9/30/23



# Tacoma Rail Financial Outlook

**3rd Quarter 2023**

November 15, 2023

# 2023/2024 Biennium Summary of Assumptions

- Incorporates actual revenues and expenditures through September 2023 with projections for the remainder of the biennium
- **Forecast for total revenues is \$5.2M or 7% above budget**
  - Q3 Challenges: Intermodal volumes are 54% higher in September than in February of 2023.
  - Q3 Strengths: Both intermodal and commercial railcar volumes above budget for Q3. Demurrage revenue continues to be above budget.
  - Q4 Outlook: Railcar volumes above budget through the end of the year with October intermodal volumes higher than September.
- **Forecast for total expenditures is \$1.2M or 2% under budget**
  - Q3 Challenges: Supply chain constraints continue to affect expenses and capital project completions.
  - Q3 Strengths: Filling vacant budgeted FTE's needed for railroad service.
  - Q4 Outlook: Continue to work through supply chain challenges and associated costs.

# 2023/2024 Biennium Summary of Rail Volumes

Quarter	2022		2023		%	
	Intermodal	Commercial	Intermodal	Commercial	Intermodal	Commercial
1	39,562	11,350	41,007	15,361	4%	35%
2	29,870	13,593	40,319	16,667	35%	23%
3	33,437	13,442	51,623	16,454	54%	22%
4						
Total	102,869	38,385	132,949	48,482	29%	26%

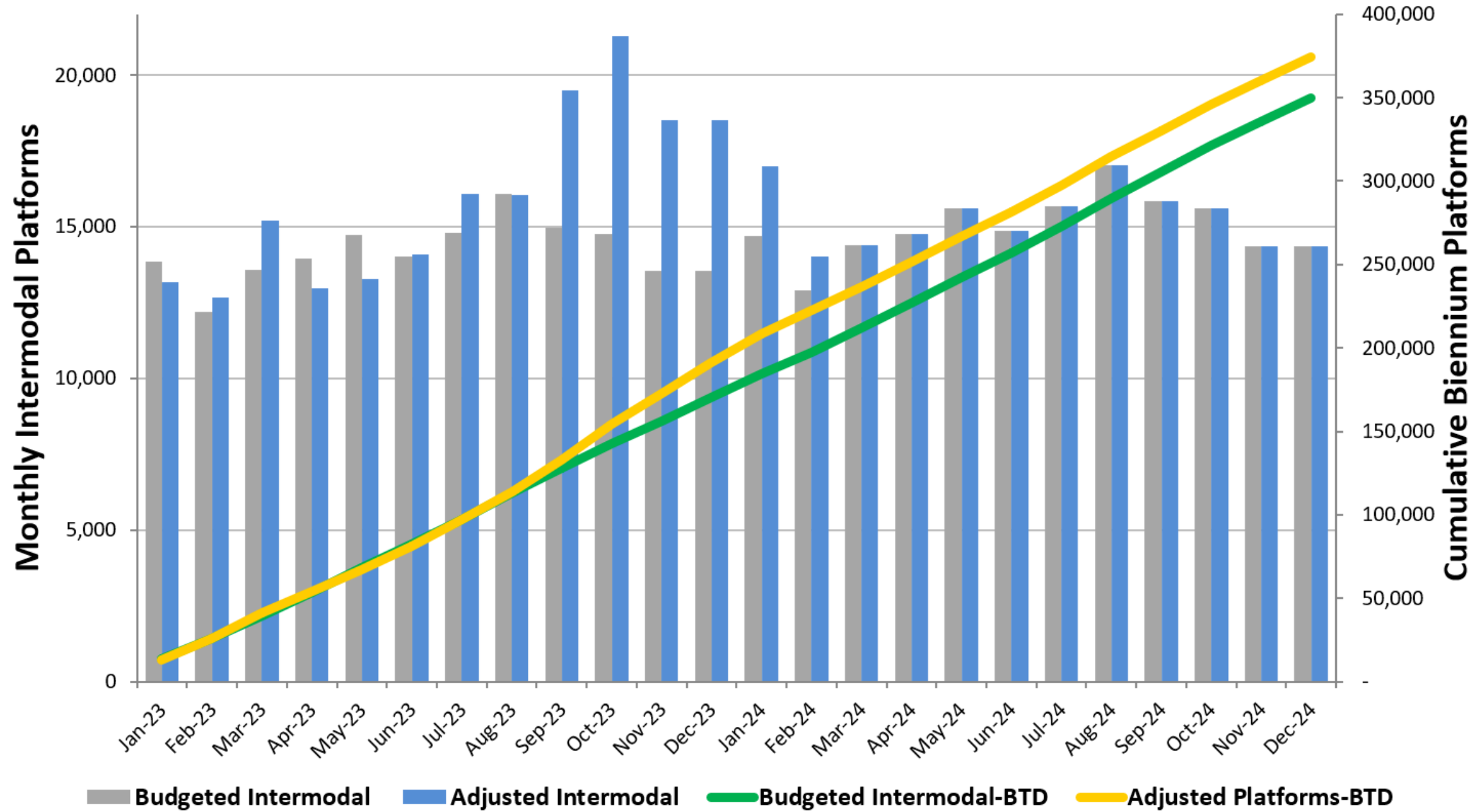
- Intermodal:

- Year over year: NIM +21%, PCT +34%, WUT +42%, SIM +24%
- Budgeted volumes: +4%

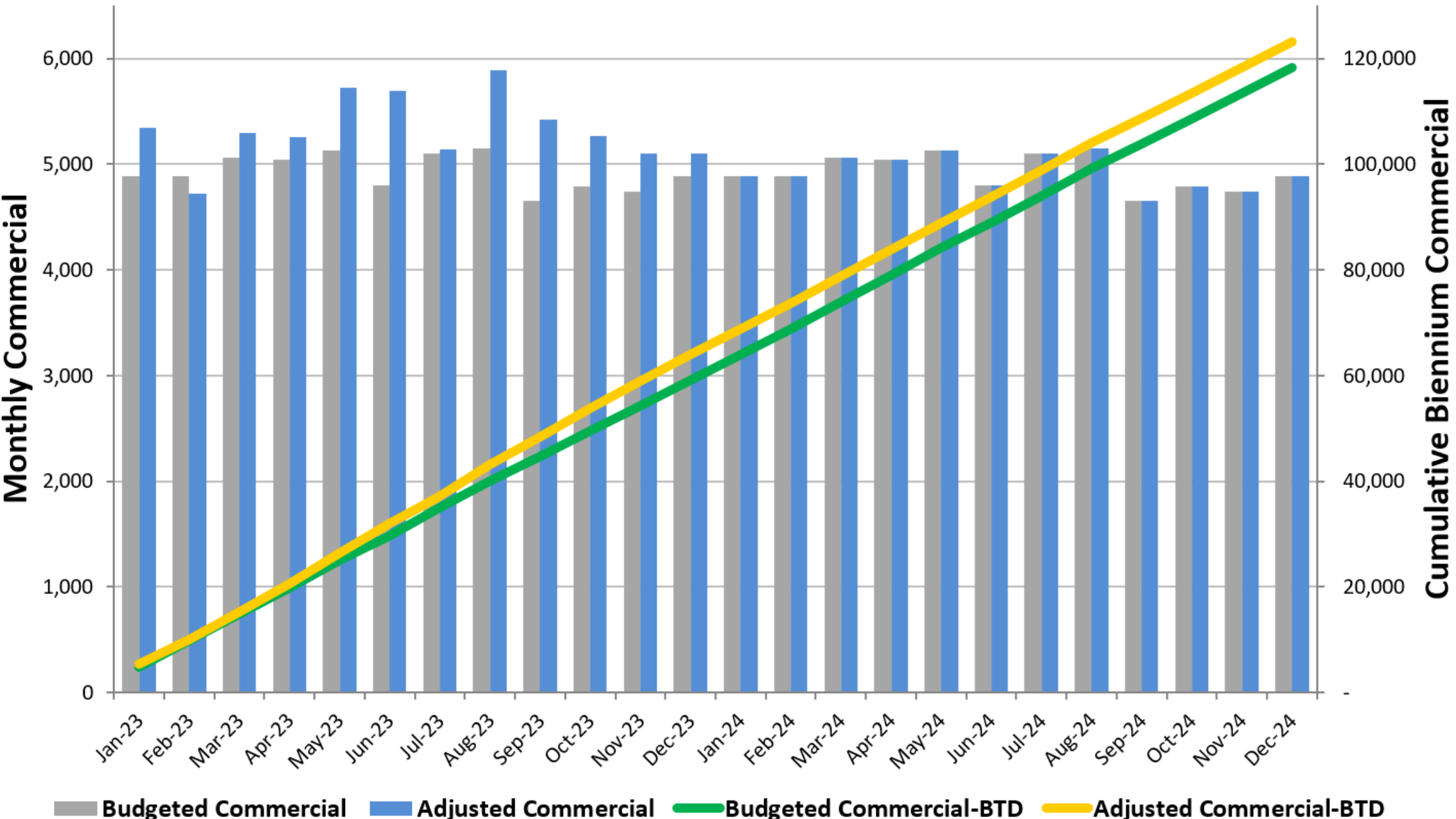
- Commercial:

- Year over year: US Oil +14%, SeaPort Sound -19%, AWC +32%, WWS +1,243%
- Budgeted volumes: +8%

# Intermodal Volumes



# Commercial Volumes



# 2023/2024 Biennium Forecast vs. Budget

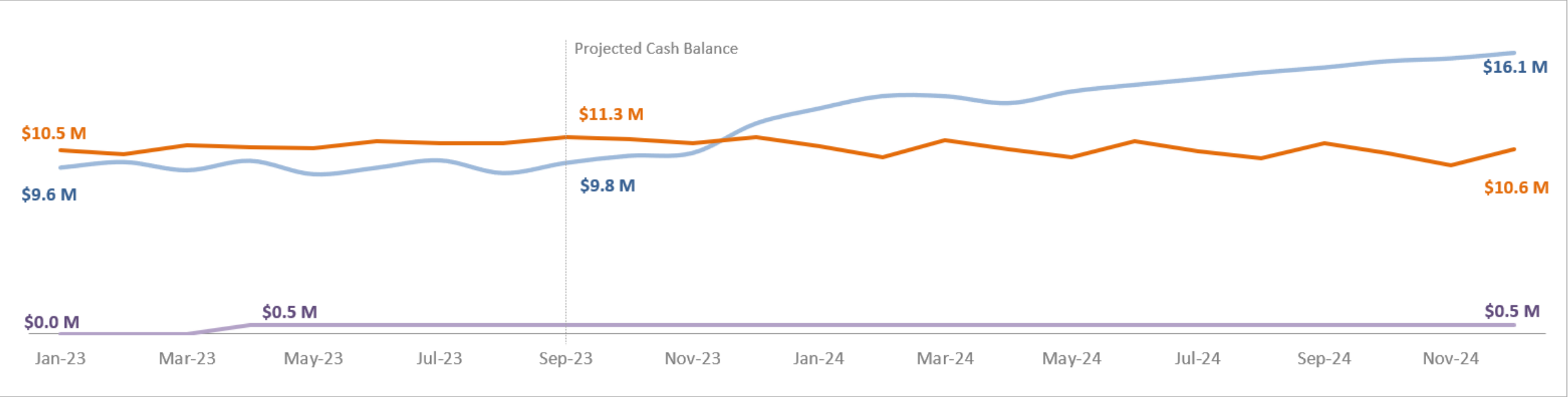
1. Railcar volumes above budget through the third quarter.
2. Railcar dwell above budgeted demurrage revenue.
3. Unfilled budgeted positions. New FTE's being added.
4. Primarily due to extended locomotive leases, locomotive maintenance and related costs.
5. Capital outlay reduction due to the majority of battery electric locomotive costs not expected at this time in 2024. Projects shifting between 2022, 2023 and 2024 due to supply chain constraints and expectations.

# 2023/2024 Biennium Forecast vs. Budget

Values in thousands

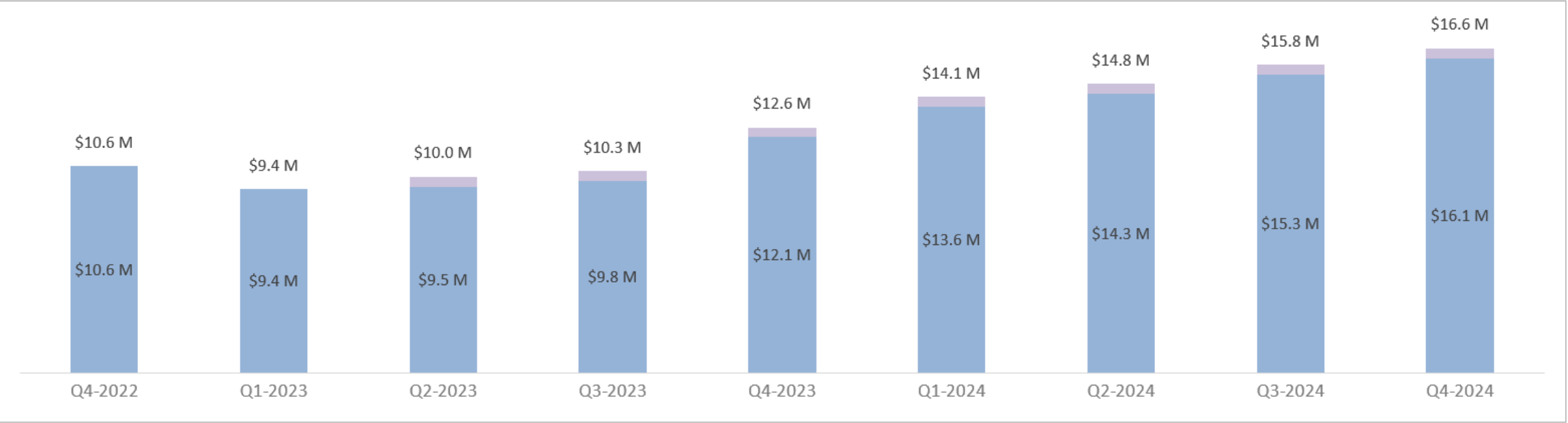
	2023 Budget	2023	2023 Difference	2024 Budget	2024 Forecast	2024 Difference	Budget Biennium	Adjusted Forecast	Biennium Difference	Biennium Diff. (%)
<b>Revenue</b>										
Switching Revenue	\$ 30,482	\$ 34,264	\$ 3,782	\$ 32,677	\$ 33,184	\$ 507	\$ 63,159	\$ 67,448	\$ 4,288	7% (1)
Demurrage Fees	1,500	2,175	675	1,500	1,500	-	3,000	3,675	675	22% (2)
Locomotive Servicing	1,227	1,429	202	1,227	1,227	-	2,454	2,656	202	8%
Other	213	527	313	213	213	-	427	740	313	73%
<b>Total Operating Revenue</b>	<b>\$ 33,422</b>	<b>\$ 38,394</b>	<b>\$ 4,972</b>	<b>\$ 35,617</b>	<b>\$ 36,124</b>	<b>\$ 507</b>	<b>\$ 69,040</b>	<b>\$ 74,518</b>	<b>\$ 5,478</b>	<b>8%</b>
Interest	118	161	44	118	118	-	235	279	44	18%
Rent & Misc Income	481	304	(177)	481	300	(181)	962	604	(358)	-37%
<b>Total Revenue &amp; Avail Funds</b>	<b>\$ 34,021</b>	<b>\$ 38,859</b>	<b>4,838</b>	<b>\$ 36,216</b>	<b>\$ 36,542</b>	<b>\$ 326</b>	<b>\$ 70,238</b>	<b>\$ 75,401</b>	<b>\$ 5,164</b>	<b>7%</b>
<b>Expenditures</b>										
Personnel Costs	\$ 17,887	\$ 16,884	\$ (1,003)	\$ 18,572	\$ 18,572	\$ -	\$ 36,459	\$ 35,456	\$ (1,003)	-3% (3)
Supplies, Other Services	9,787	10,794	1,007	9,686	9,686	-	19,473	20,480	1,007	5% (4)
Current Fund Capital Outlay	1,355	3,270	1,915	4,365	793	(3,572)	5,720	4,063	(1,657)	-29% (5)
Debt Service	968	908	(61)	897	897	-	1,865	1,805	(61)	-3%
Taxes	3,309	3,747	438	3,432	3,537	105	6,741	7,284	543	8%
<b>Total Expenditures</b>	<b>\$ 33,306</b>	<b>\$ 35,603</b>	<b>\$ 2,297</b>	<b>\$ 36,952</b>	<b>\$ 33,485</b>	<b>\$ (3,467)</b>	<b>\$ 70,258</b>	<b>\$ 69,087</b>	<b>\$ (1,170)</b>	<b>-2%</b>
<b>Total Revenues Less Expenditures</b>	<b>\$ 716</b>	<b>\$ 3,257</b>	<b>\$ 2,541</b>	<b>\$ (736)</b>	<b>\$ 3,057</b>	<b>\$ 3,793</b>	<b>\$ (20)</b>	<b>\$ 6,314</b>	<b>\$ 6,334</b>	
<b>Appropriation from Current Fund</b>	<b>\$ (716)</b>	<b>\$ (1,480)</b>	<b>\$ (765)</b>	<b>\$ 736</b>	<b>\$ (4,042)</b>	<b>\$ (4,777)</b>	<b>\$ 20</b>	<b>\$ (6,314)</b>	<b>\$ (6,334)</b>	
<b>Capital Outlay Financing Detail</b>										
Funded from Current Fund	\$ 1,355	\$ 3,270	\$ 1,915	\$ 4,365	\$ 793	\$ (3,572)	\$ 5,720	\$ 4,063	\$ (1,657)	-29%
Grants, Transfers & Pledges	1,715	1,125	(590)	4,645	1,400	(3,245)	6,360	2,525	(3,835)	-60%
Funded from New Debt	590	963	373	1,400	2,095	695	1,990	3,058	1,068	54%
<b>Total Capital Outlay</b>	<b>\$ 3,660</b>	<b>\$ 5,359</b>	<b>\$ 1,699</b>	<b>\$ 10,410</b>	<b>\$ 4,288</b>	<b>\$ (6,122)</b>	<b>\$ 14,070</b>	<b>\$ 9,646</b>	<b>\$ (4,424)</b>	<b>-31%</b>
<b>Starting Cash Balance</b>	<b>\$ 10,589</b>	<b>\$ 10,589</b>	<b>-</b>	<b>\$ 11,305</b>	<b>\$ 12,069</b>	<b>765</b>	<b>\$ 10,589</b>	<b>\$ 10,589</b>	<b>0%</b>	<b>0%</b>
<b>EOY Current Fund Balance</b>	<b>\$ 11,305</b>	<b>\$ 12,069</b>	<b>765</b>	<b>\$ 10,569</b>	<b>\$ 16,111</b>	<b>5,542</b>	<b>\$ 10,569</b>	<b>\$ 16,111</b>	<b>52%</b>	<b>52%</b>
<b>Volume Investment Fund</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>0%</b>	<b>0%</b>

# 2023/2024 Projected Liquidity Balance as of 9/30/23



Operating (Current) Fund   Budget   Volume Investment Fund

Projected days cash on hand: 167












































# Performance Metrics Update

**3rd Quarter 2022**

November 16, 2022

# Performance Metrics Summary



Quarter 3, 2023 Performance Metrics Report Tacoma Public Utilities		
		
Financial Performance - Supports Strategic Directive: 2 (Financial Stability)		
1 Debt Service Coverage 	1 Debt Service Coverage 	1 Debt Service Coverage 
2 Liquidity - Days Cash on Hand 	2 Liquidity - Days Cash on Hand 	2 Liquidity - Days Cash on Hand 
3 Budget Performance 	3 Budget Performance 	3 Budget Performance 
Operational Excellence - Supports Strategic Directives: 3 (Rates); 5 (Environmental Leadership); 7 (Reliability & Resiliency)		
4 Residential Bill Comparison 	4 Residential Bill Comparison 	4 Railroad Tariffs Comparison 
5 O&M Cost per Customer 	5 O&M Cost per Account 	5 Operating Ratio 
6 Outage Duration 	6 Unplanned Service Disruptions 	6 Locomotives Serviced 
7 Outage Frequency 	7 Distribution System Leakage 	7 On-Time Switching 
8 Non-Carbon Power Resources 	8 Regulatory Compliance 	8 Storm Water Stewardship 
9 Power Conservation 	9 Water Conservation 	
Commitment to Cust & Employees - Supports Strategic Directives: 5 (Environ. Leadership); 7 (Reliability); 12 (Emp. Relations); 13 (Customer Svc)		
10 Customer Satisfaction 	10 Customer Satisfaction 	9 Customer Satisfaction 
11 Employee Satisfaction 	11 Employee Satisfaction 	10 Employee Satisfaction 
12 Employee Safety 	12 Employee Safety 	11 Employee Safety 
13 Call Center Responsiveness 	13 Call Center Responsiveness 	
	14 Technical Service Complaints 	

## ❖ Financial Performance

- Q3 performance favorable across all metrics

## ❖ Operational Excellence

- Power's distribution O&M per customer ratio will measure distribution expense associated with delivering power to each retail customer
- Rail's storm water testing results in compliance for all 18 tests

## ❖ Commitment to Customers & Employees

- Employee safety incident rates continue downward trend
- Call Center response times impacted by staffing shortages during July and August
- Water customer relations metric requires additional review before finalizing