

October 23, 2024

MOTION

I hereby move that the following motion be approved:

24-12. The Department of Public Utilities 2025-2026 Budget, as submitted and filed with the Clerk of the Board, be accepted and approved and the City Council is requested to approve the same as provided by Section 4.12 of the Charter of the City of Tacoma.



TACOMA PUBLIC UTILITIES

UTILITY BOARD MEETING

**2025/2026 DRAFT PRELIMINARY
BIENNIUM BUDGET**

Wednesday, October 23, 2024

Tacoma Public Utilities

Public Utility Board

John O'Loughlin, Chair

William Bridges, Vice-Chair

Elly Claus-McGahan, Secretary

Carlos M. Watson, Member

Anita Gallagher, Member

Executive Team

Jackie Flowers –

Director of Utilities/Chief Executive Officer

Chris Robinson –

Tacoma Power Superintendent/Chief Operating Officer

Heather Pennington –

Tacoma Water Superintendent

Alan Matheson –

Tacoma Rail Superintendent

Prepared by:

Management Services Office

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**City of Tacoma, Washington
 Department of Public Utilities
 2025/2026 Draft Preliminary Biennium Budget**

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**City of Tacoma, Washington
 Department of Public Utilities
 2025/2026 Draft Preliminary Biennium Budget**

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TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

October 23, 2024

To the Members of the Public Utility Board:

The preliminary draft of the Department of Public Utilities Budget for the 2025-2026 biennium is presented for your consideration and approval before transmittal to the City Clerk for distribution to the City Council. State law requires that the budget be filed at least 60 days before the beginning of the next fiscal year. The budget will be delivered to the City Clerk's office by October 31, 2024.

My office, staff within the various divisions, Superintendents, and the Management Services Office have carefully reviewed these requested appropriations. The divisional budgets were discussed at the Public Utility Board Meeting on September 30, 2024. A budget overview was presented at the Public Utility Board Meeting on October 9, 2024, and the budget was also discussed at the joint City Council/Public Utility Board Study Session on October 8, 2024. Public engagement has been an integral part of the budget process and included public meetings with franchise cities and neighborhood and community organizations as well as a dedicated web page, utility bill inserts and messages, multilingual fact sheets, newsletters, and social media posts.

These budgets were developed without compromising the mission or values of Tacoma Public Utilities. All expenditures were thoroughly reviewed, and capital outlay budgets were examined fully and prioritized for possible deferral or elimination. Financing of these projects is consistent with the Board's established rate policies.

The Tacoma Public Utilities 2025-2026 Operating biennial budgets total \$1.65 billion which compares to \$1.48 billion for the 2023-2024 biennium. The budget reflects additional revenue anticipated from rate increases by Tacoma Power, Tacoma Water and Tacoma Rail, the details of which are noted in their subsections below.

Tacoma Power

This proposed budget continues to support Tacoma Power's strategy to maintain low rates while providing safe, reliable and environmentally responsible electric power.

Tacoma Power's proposed 2025-2026 operating budget is \$1.19 billion which represents a \$104.5 million increase over the current biennial budget.





TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

Tacoma Power’s personnel costs are planned to increase by approximately \$50.3 million or nineteen point one percent (19.1%). These costs include increases in Tacoma Power staffing levels from 885.3 to 902.7 full time equivalents (FTEs), mainly due to reinstating positions deferred during the 2023-2024 biennium and much needed additions to address resource needs driven by Tacoma Power’s strategic objectives and operational needs. Supplies, services and other charges will increase by \$15.8 million or two point eight percent (2.8%). The total capital outlay proposed is \$222.4 million, of which \$84.7 million of this capital plan will be paid for from the operating fund while the rest will be paid from bond proceeds.

Taxes, primarily City of Tacoma gross earnings taxes of \$83.0 million and State of Washington utilities and business taxes of \$49.0 million, total \$132.0 million for the biennium, which is an increase of \$8.5 million over the current biennium. Included in the tax figures are administrative fees for small surrounding cities where Tacoma Power operates.

Funding for the budget will be primarily from sales of electric energy and bulk power sales. Tacoma Power also receives other electric and miscellaneous revenues, such as interest earnings, rents, and wheeling revenues. Tacoma Power will maintain a minimum cash reserve of 90 days of current budgeted expenditures including capital paid from the operating fund to remain compliant with Electric Rate and Financial Policy. The budget includes anticipated additional revenue of \$49.7 million derived from an average system rate increase of approximately five point three percent (5.3%) in both 2025 and 2026.

Tacoma Water

In formulating its budget, Tacoma Water continues to focus on managing expenditures while maintaining responsible stewardship and long-term financial sustainability of the Utility.

Tacoma Water’s proposed 2025-2026 operating budget is \$342.8 million which represents a \$45.4 million increase over the current biennial budget.

Tacoma Water’s personnel costs are planned to increase by \$16.5 million. These costs include no increase in Tacoma Water staffing levels of 325.0 full time equivalents (FTEs). Supplies, services and other charges will increase by \$13.8M or eighteen point four percent (18.4%) to cover growing operational expenses to provide safe, clean water and to address other priorities.

Tacoma Water’s Debt Service is planned to increase by 4.3 million in the next biennium. Part of the debt service expense will be offset by the Build America Bonds subsidy which is recorded as non-operating revenue. The total capital outlay proposed is \$79.3 million, of which \$7.0 million of this capital plan will be paid for from the operating fund while the rest will be paid from capital and system development fee reserves, and anticipated bond proceeds.





TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

Taxes, primarily City of Tacoma gross earnings taxes of \$19.8 million and State of Washington utilities and business taxes of \$15.0 million, total \$34.8 million which is an increase of \$4.3 million over the current biennium. Included in the total tax figures are franchise, administrative, and other fees paid to other cities and entities.

Tacoma Water receives most of its revenue from water sales and other operating earnings. To balance its budget, an anticipated additional revenue amount of \$21.7 million is required, which would come from an average system rate increase of six and one half (6.5%) in both 2025 and 2026.

Tacoma Rail

Tacoma Rail’s proposed 2025-2026 operating budget is \$80.5 million which represents a \$10.2 million increase over the current biennial budget.

Tacoma Rail’s operations are greatly influenced by economic activity, particularly driven by the movement of goods and commodities around the Port of Tacoma area. Fluctuating rail volumes remain a major risk in planning for future expenditures.

Tacoma Rails personnel costs are planned to increase by \$5.1 million, with staffing levels budgeted to increase by 6.0 FTE for the biennium. Supplies, services, and other charges are planned to increase by \$2.7 million or fourteen point one (14.1%). The total capital outlay proposed is \$29.1 million of which \$7.4 million of this capital plan will be paid for from the operating fund while \$21.7 million will be financed with either grants or special low (or no) interest loans.

Funding for the budget comes primarily from switching revenues. Tacoma Rail proposes system average rate increases of two point three percent (2.3%) in both 2025 and 2026.

Taxes, primarily City of Tacoma gross earnings taxes of \$6.5 million and State of Washington utilities and business taxes of \$1.2 million, total \$7.7 million which is an increase of \$0.98 million over the current biennium.

Fleet Services Fund

The Fleet Services Fund’s proposed 2025-2026 biennial budget is \$13.3 million which represents a \$1.5 million increase over the current biennial budget. Operations & Maintenance expenses are planned to increase by \$2.0 million and Capital outlay is planned to decrease by \$0.5 million.





TACOMA PUBLIC UTILITIES
3628 South 35th Street
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Other Funds

Self-Insurance Claim Fund, which is funded by contributions from Tacoma Power, Tacoma Water and Tacoma Rail plus appropriations from the cash reserves, total \$5.6 million.

The Family Need Fund, which is a funding source for bill payment assistance to income qualifying Power customers, has an appropriation increase of \$3.0 million over the current biennium for a proposed 2025-2026 biennial budget of \$10.0 million.

Service Divisions

Expenditures for the service divisions are included for information only because their costs are included in the budgets of the operating divisions, and other funds within the department. Portions of Customer Experience and External Affairs costs are reimbursed by the City's Environmental Services department. Service division budgets include the Administrative Offices, Customer Services, Utility Technology Services Software & Desktop Support and Copiers. The operating divisions reviewed these budgets during the budget process to ensure that only essential services are budgeted. The service divisions budget total \$103.0 million for the 2025-2026 biennium, up from \$12.0 million in the current biennium.

Summary

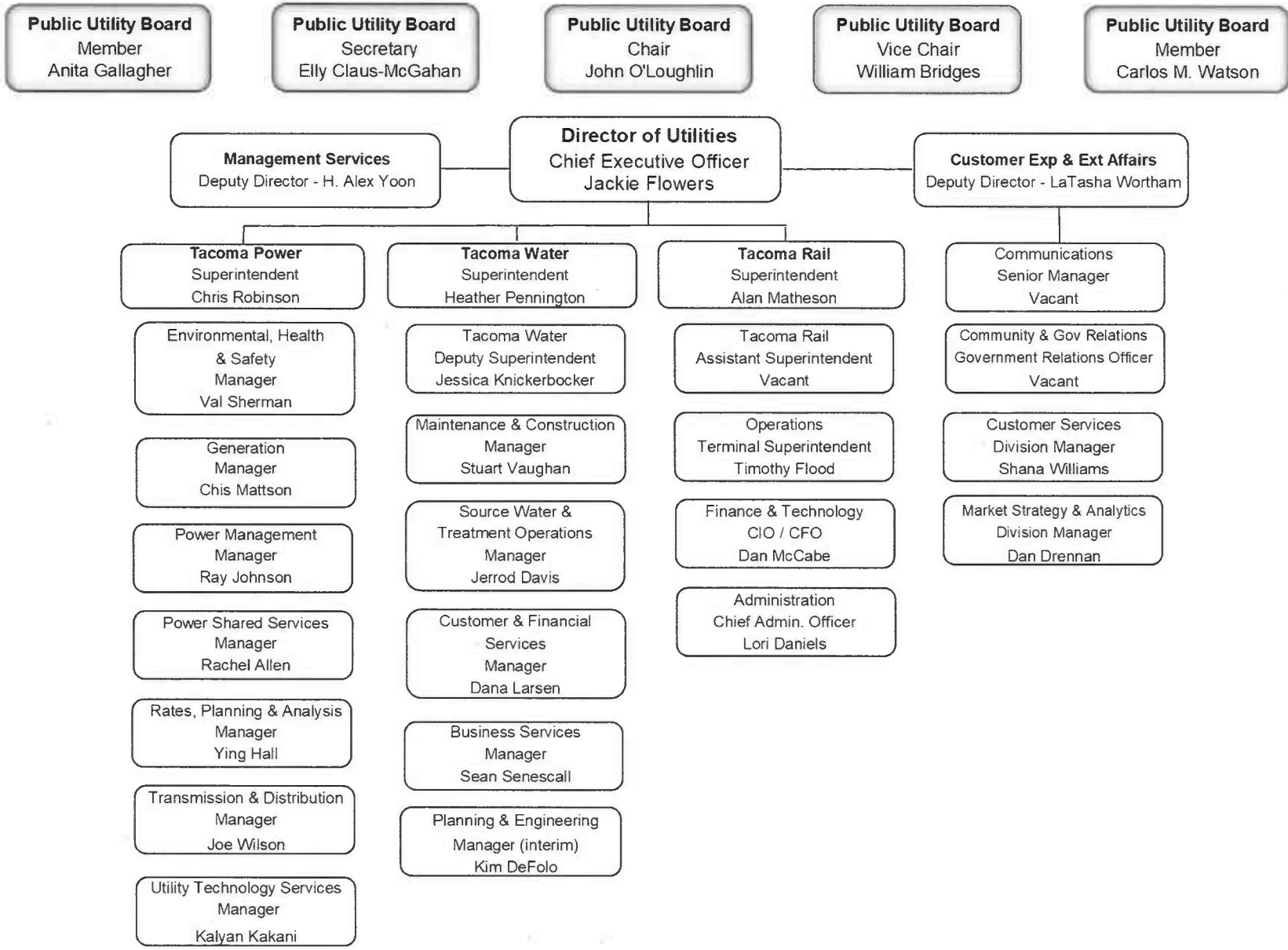
The revenues and expenditures contained in the Department of Public Utilities proposed 2025-2026 biennial budget requests were developed in accordance with the stated mission of the department and in conformance with the objectives of strategic plans. The proposed budget appropriations were reviewed extensively by my office, divisional management, the Management Services Office, and the Public Utility Board. TPU's budgets and rate proposals reflect strategies that are durable over the long run. The Utilities have considered the economy and market conditions and have properly aligned their budgets and their work forces for the 2025-2026 biennium and beyond.

Sincerely,

Jackie R. Flowers
Director of Utilities, CEO



CITY OF TACOMA - DEPARTMENT OF PUBLIC UTILITIES



**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES**

DEPARTMENT SUMMARY

The Department of Public Utilities consists of the Tacoma Power, Tacoma Water, and Tacoma Rail Operating Divisions, Fleet Services, the Customer Services Division, and Administrative and Support Services.

Memorandum budgets have been prepared for the Customer Services and Administrative/Support Services Divisions. Except for a portion of the Customer Services' budget, which is reimbursed by the City's Environmental Services, all planned Service Division expenses have been allocated to and are included in the three Operating Funds' budgets.

The following is a summary of the appropriations by fund.

2023-2024 BUDGET

	Personnel Costs	Supplies, Services & Other Charges	Taxes	Debt Service	Capital Outlay	2023-2024 Total
Tacoma Power Division	\$263,203,666	\$553,891,726	\$123,493,268	\$68,059,277	\$82,637,000	\$1,091,284,937
Tacoma Water Division	73,143,749	74,893,532	30,480,140	46,099,167	72,751,918	297,368,506
Tacoma Rail Division	36,458,545	19,472,807	6,740,999	1,865,264	5,720,000	70,257,615
Operating Funds	372,805,960	648,258,065	160,714,407	116,023,708	161,108,918	1,458,911,058
Fleet Services Fund	8,162,831	2,461,448	0	0	1,211,096	11,835,376
Family Need Fund	0	7,000,000	0	0	0	7,000,000
Self-Insurance Fund	0	5,678,200	0	0	0	5,678,200
Other Funds	8,162,831	15,139,648	0	0	1,211,096	24,513,576
Total TPU 2023-2024	\$380,968,791	\$663,397,713	\$160,714,407	\$116,023,708	\$162,320,014	\$1,483,424,634

2025-2026 BUDGET

	Personnel Costs	Supplies, Services & Other Charges	Taxes	Debt Service	Capital Outlay	2025-2026 Total
Tacoma Power Division	\$313,575,340	\$569,656,059	\$132,032,497	\$95,856,790	\$84,654,000	\$1,195,774,686
Tacoma Water Division	89,656,235	88,679,985	34,769,042	50,398,897	79,304,158	342,808,318
Tacoma Rail Division	41,587,733	22,214,066	7,721,521	1,568,763	7,395,000	80,487,083
Operating Funds	444,819,308	680,550,110	174,523,060	147,824,450	171,353,158	1,619,070,087
Fleet Services Fund	9,998,686	2,642,559	0	0	685,000	13,326,245
Family Need Fund	0	10,000,000	0	0	0	10,000,000
Self-Insurance Fund	0	5,653,200	0	0	0	5,653,200
Other Funds	9,998,686	18,295,759	0	0	685,000	28,979,445
Total TPU 2025-2026	\$454,817,994	\$698,845,869	\$174,523,060	\$147,824,450	\$172,038,158	\$1,648,049,531

Prior years may have been reclassified or restated to reflect organizational changes.

Job Classifications and Salary Information:

Visit www.governmentjobs.com/careers/tacoma/classspecs for current job classification specs with salary data.

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES**

COMPARATIVE BUDGET

Fund	Biennial Budget 2023-2024	Biennial Budget 2025-2026	\$ Increase or Decrease	% Increase or Decrease	% 2025-2026 Total Dept.
Tacoma Power	\$1,091,284,937	\$1,195,774,686	\$104,489,749	9.6%	72.6%
Tacoma Water	297,368,506	342,808,318	45,439,812	15.3%	20.9%
Tacoma Rail	70,257,615	80,487,083	10,229,468	14.6%	4.9%
Fleet Services	11,835,376	13,326,245	1,490,869	12.6%	0.8%
Family Need	7,000,000	10,000,000	3,000,000	42.9%	0.6%
Self-Insurance Claim	5,678,200	5,653,200	(25,000)	(0.4%)	0.3%
Total Department	\$1,483,424,634	\$1,648,049,531	\$164,624,897	11.1%	100.0%

DEPARTMENT OF PUBLIC UTILITIES	2021-22	2023-24	2025-26
Taxes	Biennium Actual	Biennium Budget	Biennium Budget

TAX PAYMENTS

City of Tacoma:			
Gross Earnings Tax	\$100,829,243	\$100,605,117	\$109,397,986
State of Washington:			
Utility & Business Tax	42,013,749	43,585,219	47,175,407
Other *	14,587,021	16,524,071	17,949,667
Subtotal	157,430,013	160,714,407	174,523,060
Federal Taxes (FICA)	17,586,503	21,086,641	24,538,661
Federal Railroad Taxes (RR)	4,459,094	4,502,843	5,256,493
Subtotal	22,045,597	25,589,484	29,795,154
Total Taxes	\$179,475,610	\$186,303,891	\$204,318,214

Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

* Other includes franchise, administrative and other fees paid to other Cities and entities and fire patrol assessments paid to WA State DNR.

DEPARTMENT OF PUBLIC UTILITIES	2023-24	2025-26
General Government Expenses	Biennium Budget	Biennium Budget
City Attorney's Office	\$4,350,634	\$4,620,936
CAO: City Clerk, Records, Committees	249,852	264,918
CAO: Civil Division	3,098,363	3,199,261
CAO: Labor Negotiations	1,002,420	1,156,757
City Council	208,635	269,102
City Manager's Office	2,868,299	3,265,742
CMO: Administration	174,795	192,197
CMO: EEO, Workforce Equity Dev, Equitable Service Delivery	1,083,128	948,227
CMO: Government Relations	91,926	106,097
CMO: Office of Health & Safety	1,518,450	2,019,222
Community & Economic Development	724,214	738,989
CED: Equity in Contracting	170,438	207,835
CED: Local Employment and Apprenticeship Training Program	112,164	105,280
CED: Tacoma Training & Employment Program	441,613	425,874
Finance	9,294,764	8,237,370
FIN: Admin, Auditing, Accounting, Procurement, Risk, Treasury,	9,188,455	8,140,214
FIN: Office of Management & Budget	106,309	97,155
Hearing Examiner	20,936	126,450
Human Resources	7,522,819	8,224,215
HR: Admin, Benefits, Training, Wellness, Class/Comp, etc	6,585,189	7,450,317
HR: Continuous Improvement	937,630	773,899
Information Technology	29,054,822	41,403,253
IT: Active Directory	7,608,377	9,923,643
IT: Administration	789,545	639,668
IT: Analytics	1,434,073	2,528,742
IT: Business Applications & Enablement	1,176,618	827,258
IT: Cybersecurity	1,459,290	2,647,549
IT: Field Asset Management	-	1,498,485
IT: Geospatial Analytics & Applications	514,361	1,499,095
IT: Network Svcs, Database Admin, etc	112,142	707,768
IT: Permitting	1,727,483	1,117,112
IT: Private Cloud	1,307,025	1,375,750
IT: Project Management	1,291,588	773,791
IT: SAP Core ERP	6,380,438	9,898,615
IT: SAP Customer Care System	4,298,217	7,227,636
IT: Telecommunications	5,570	2,232
IT: Web Development & Support	950,095	735,908
Public Works Real Property Services	2,544,520	3,081,595
Tacoma Fire Emergency Management	152,770	193,444
Total TPU General Government Expenses	\$56,742,414	\$70,161,097

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TACOMA POWER

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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TACOMA POWER	2021-22	2023-24	2025-26
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Operating Revenue			
Sales of Electric Energy	\$1,023,001,794	\$957,839,988	\$1,004,149,435
Rate Stabilization Fund	(120,000,000)	0	0
Anticipated Additional Revenue	0	30,749,496	49,682,245
Other Electric Revenue	51,845,263	52,474,672	57,555,273
Total Operating Revenue	954,847,057	1,041,064,156	1,111,386,953
Other Income	20,522,164	23,788,317	34,651,588
Appropriation from Fund Balance	0	26,432,464	49,736,145

Total Revenue & Available Funds	\$975,369,221	\$1,091,284,937	\$1,195,774,686
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EXPENDITURES

Personnel Costs	\$212,774,004	\$263,203,666	\$313,575,340
Supplies, Services & Other Charges	501,492,408	553,891,726	569,656,059
Taxes - Current Revenue Estimate	121,522,245	120,041,555	126,443,636
Taxes - Anticipated Additional Revenue	0	3,451,713	5,588,861
Debt Service	57,727,059	68,059,277	80,856,790
Cash Defeasance - (debt service)	0	0	15,000,000
Capital Outlay	54,328,760	82,637,000	84,654,000

Total Expenditures	\$947,844,476	\$1,091,284,937	\$1,195,774,686
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CAPITAL OUTLAY FINANCING DETAIL

Funded From Operating Fund		\$82,637,000	\$84,654,000
Funded From New Bonds		96,742,000	137,788,000

Total Capital Outlay		\$179,379,000	\$222,442,000
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PERSONNEL - Budgeted FTEs **838.3 / 838.3** **865.8 / 885.3** **902.7 / 902.7**

Prior years may have been reclassified or restated to reflect organizational changes.

TACOMA POWER	2021-22	2023-24	2025-26
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE SUMMARY

Sales of Electric Energy	\$1,023,001,794	\$957,839,988	\$1,004,149,435
Rate Stabilization Fund	(120,000,000)	0	0
Anticipated Additional Revenue	0	30,749,496	49,682,245
Other Electric Revenue	51,845,263	52,474,672	57,555,273
Total Operating Revenue	954,847,057	1,041,064,156	1,111,386,953
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Appropriation from Fund Balance	0	26,432,464	49,736,145

Total Revenue & Available Funds	\$975,369,221	\$1,091,284,937	\$1,195,774,686
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REVENUE DETAIL

Sales of Electric Energy

Residential	\$392,525,038	\$376,163,832	\$402,795,366
Private Off-Street Lighting	3,072,619	3,259,053	2,431,718
Small General	61,526,713	62,031,482	68,764,411
General	221,160,044	229,142,956	271,327,154
High Voltage General	52,427,349	55,960,667	59,458,684
Contract Industrial - Firm	47,648,186	50,817,601	12,398,473
New Large Load	3,881,326	3,473,441	6,134,492
Street Lighting & Traffic Signals	2,464,079	1,544,744	1,799,092
Total Retail Sales	784,705,354	782,393,776	825,109,390

Other Sales

Bulk Power Sales	238,219,073	175,446,212	179,040,045
Rate Stabilization Fund	(120,000,000)	0	0
Accrued Unbilled Revenue	77,366	0	0
Total Other Sales	118,296,439	175,446,212	179,040,045
Anticipated Additional Revenue	0	30,749,496	49,682,245
Total Sales of Electric Energy	903,001,794	988,589,484	1,053,831,680

TACOMA POWER	2021-22	2023-24	2025-26
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

Other Electric Revenue

Rent from Electric Property	7,426,495	4,986,884	6,545,137
Lightcurve (Rainier Connect) IRU	5,312,500	8,500,000	6,457,500
BPA Efficiency Incentive	5,372,581	7,200,000	7,200,000
Interdepartmental Rent	5,302,118	5,534,931	5,763,518
Service Connection Fees	2,378,237	2,903,418	1,860,527
Green Power	138,242	394,212	162,777
Overhead on Work for Others	427,707	297,273	2,204,606
Late Payment Fees	900,744	285,678	3,638,481
Income from Campgrounds	4,215,020	4,196,494	5,700,000
Wheeling	20,962,427	17,728,936	17,488,936
Miscellaneous	(590,808)	446,846	533,791
Total Other Electric Revenue	51,845,263	52,474,672	57,555,273

Other Income

Interest	7,513,552	9,820,359	23,211,880
Federal Subsidy for BABS/CREBS interest	7,458,448	7,458,448	7,191,602
Miscellaneous	5,550,164	6,509,510	4,248,106
Total Other Income	20,522,164	23,788,317	34,651,588

Other Available Funds

Appropriation from Fund Balance	0	26,432,464	49,736,145
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Total Revenue & Available Funds	\$975,369,221	\$1,091,284,937	\$1,195,774,686
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TACOMA POWER	2021-22	2023-24	2025-26
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Section

Power Administration	\$186,123,782	\$197,239,461	\$212,957,478
Generation	85,320,255	112,754,369	125,143,291
Power Management	380,402,344	402,528,460	404,278,065
Power Shared Services	30,320,691	37,648,565	43,315,763
Rates, Planning & Analysis	5,597,297	7,669,106	8,154,635
Transmission & Distribution	111,320,581	133,692,711	163,111,299
Utility Technology Services	36,703,707	49,055,989	58,303,365

Total for Division	\$835,788,657	\$940,588,660	\$1,015,263,896
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$193,075,410	\$236,128,654	\$278,159,078
Employee Benefits	66,777,659	82,422,988	96,243,802
Capital Credit & Labor To/From Others	(47,079,065)	(55,347,976)	(60,827,540)
Total Personnel Costs	212,774,004	263,203,666	313,575,340
Supplies	300,279,304	320,095,596	322,801,384
Services	78,405,130	89,974,489	92,917,725
Other Charges	56,437,217	60,899,298	57,370,095
Assessments	66,370,757	82,922,343	96,566,855
Taxes	121,522,245	123,493,268	132,032,497

Total for Division	\$835,788,657	\$940,588,660	\$1,015,263,896
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TACOMA POWER Taxes	2021-22 Biennium Actual	2023-24 Biennium Budget	2025-26 Biennium Budget
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TAX PAYMENTS

City of Tacoma:

Gross Earnings Tax (7.5%)	\$78,426,066	\$ 75,303,878	\$ 79,371,547
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State of Washington:

Utility & Business Tax	30,880,992	30,820,295	31,992,731
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Other*

County/Schools/Fire Protection Dist.	2,692,110	5,513,240	5,934,069
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Franchise Administrative Fees	9,523,077	8,404,142	9,145,289
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Subtotal	121,522,245	120,041,555	126,443,636
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Anticipated Additional Revenue**

Gross Earnings Tax (7.5%)	0	2,280,148	3,687,243
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Utility & Business Tax	0	1,171,565	1,901,618
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	0	3,451,713	5,588,861
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Total City & Utility Tax	121,522,245	123,493,268	132,032,497
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Federal Taxes (FICA)	13,471,545	15,993,540	18,834,824
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Total Tacoma Power Taxes	\$134,993,790	\$139,486,808	\$150,867,321
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Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

* Other includes franchise, administrative and other fees paid to other cities and entities and fire patrol assessments paid to WA State DNR.

** Taxes on anticipated additional revenue due to rate increase.

TACOMA POWER	2021-22	2023-24	2025-26
Debt Service	Biennium Actual	Biennium Budget	Biennium Budget

DEBT SERVICE SUMMARY

Interest	\$45,542,059	\$54,619,277	\$65,451,790
Principal	12,185,000	13,440,000	30,405,000
Cash Defeasance	0	0	(15,000,000)

Total Debt Service	\$57,727,059	\$68,059,277	\$80,856,790
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DEBT SERVICE DETAIL

2010B Revenue Bonds	Interest	17,383,647	\$ 17,383,647	\$ 17,383,647
\$147,070,000	Principal	0	0	0
2010C Revenue Bonds	Interest	2,728,551	2,728,552	2,728,552
\$24,185,000	Principal	0	0	24,185,000
2013A Ref & Rev Bonds	Interest	7,785,200	7,785,200	4,321,200
\$181,610,000	Principal	0	0	0
2013B Ref & Rev Bonds	Interest	3,042,470	2,244,970	0
\$35,620,000	Principal	7,780,000	8,580,000	0
2017 Bonds	Interest	6,466,100	6,014,600	5,516,600
\$80,000,000	Principal	4,405,000	4,860,000	2,610,000
2019 Line of Credit	Interest	498,800	0	0
\$150,000,000	Principal	0	0	0
2021 Line of Credit - Wells Fargo	Interest	748,978	3,000,000	0
\$150,000,000	Principal	0	0	0
2021 Line of Credit - Key Bank	Interest	423,541	200,000	0
\$50,000,000	Principal	0	0	0
2021 Bonds	Interest	6,464,772	9,967,100	9,967,100
\$121,855,000	Principal	0	0	0
2024A Revenue Bonds	Interest	0	5,295,208	9,530,000
\$95,300,000	Principal	0	0	0
2024B Revenue Bonds	Interest	0	0	4,184,000
\$47,360,000	Principal	0	0	3,610,000
2025 Revenue Bonds	Interest	0	0	11,820,691
180,000,000 - Anticipated	Principal	0	0	0
Reduction due to Defeasance		0	0	(15,000,000)

Total Debt Service	\$57,727,059	\$68,059,277	\$80,856,790
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Tacoma Power Capital Outlay	2023-24 Biennium Budget	2025-26 Biennium Budget
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SUMMARY

General Plant

Capital Projects:	\$8,393,000	\$24,501,000
Additions and Replacements:	12,736,000	21,960,000
General Plant Total	21,129,000	46,461,000

Generation

Capital Projects:	39,120,000	39,416,000
Additions and Replacements:	2,431,000	1,798,000
Generation Total	41,551,000	41,214,000

Power Management

Capital Projects:	13,832,000	9,000,000
Power Management Total	13,832,000	9,000,000

Transmission & Distribution

Capital Projects:	9,200,000	10,712,000
Additions and Replacements:	55,101,000	86,086,000
Transmission & Distribution Total	64,301,000	96,798,000

Utility Technology Services

Capital Projects:	31,401,000	23,170,000
Additions and Replacements:	7,165,000	5,799,000
Utility Technology Services Total	38,566,000	28,969,000

Sub-Total	\$179,379,000	\$222,442,000
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Projects Funded from New Bonds	(96,742,000)	(137,788,000)
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Total Operating Fund Capital Outlay	\$82,637,000	\$84,654,000
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Tacoma Power	2023-24	2025-26
Capital Outlay	Biennium Budget	Biennium Budget

General Plant Capital Projects

ABN Atrium and Entry Replacement	\$0	\$1,201,000
Facilities - TPU Garage Electrical System Replacement	293,000	0
South Service Center Storage	2,707,000	6,350,000
TPU Admin Complex Storage and Parking Facility	5,293,000	16,950,000
Windom Street Gate Replacement	100,000	0

General Plant A & R

Fleet Replacement	11,000,000	20,000,000
General Plant	200,000	250,000
Tacoma Power Security Upgrade	1,336,000	1,500,000
TPU Critical Operations Power Supply	200,000	210,000
General Plant Total	\$21,129,000	\$46,461,000

Generation Capital Projects

Cowlitz Falls Downstream Fish Passage Improvements	\$611,000	\$200,000
Cowlitz Mayfield Crane Controls Upgrade	517,000	2,000,000
Cowlitz Mayfield Downstream Collection	3,457,000	3,720,000
Cowlitz Mossyrock Dam Guard Valve and Stop Logs	716,000	0
Cowlitz Mossyrock Governor Controls Replacement	0	300,000
Cowlitz Mossyrock PDS-6 Replacement	0	380,000
Cowlitz Mossyrock SpillGate Seismic Structural Remediation	0	761,000
Cowlitz Mossyrock U51, U52 Exciter Controls Retrofit	453,000	290,000
Cowlitz Mossyrock U53 Draft Tube Wall	327,000	0
Cowlitz Off-Site Fish Rearing - Satellite Ponds	595,000	301,000
Cowlitz Trout Hatchery Remodel	2,500,000	3,820,000
Cushman #1 Dam ROV Replacement	7,000,000	0
Cushman #1 Debris Removal Ramp	0	80,000
Cushman #2 Draft Tube Stoplogs	2,758,000	0
Cushman #1 Right/Left Wing Wall Anchor	0	1,800,000
Cushman #2 Saltwater Park Hatchery Auxiliary Water Supply	796,000	1,000,000
Cushman #2 U31, U32 Unit Rebuild	7,496,000	10,000,000
Cushman #2 U31, U32, U33 TIV & Bypass Valve Actuator Repla	471,000	0
Cushman #2 U31, U32, U33 Protective Relay Upgrade	0	1,175,000
Cushman #2 U31, U32 Pressure Regulating Valve Refurbishmei	0	1,585,000
Cushman #2 Valve House EG Upgrades & ATS	155,000	110,000
Cushman FSC Upgrades and South Fork Chinook Recovery De'	803,000	0
Cushman Powerhouse Crane Controls Upgrade	1,402,000	0
Generation Dam Deflection Survey Pedestal	0	302,000
Hydro Spillway Seismic Upgrades	0	4,000,000
Nisqually Alder & LaGrande Cooling Water Piping & Valve Repla	225,000	144,000
Nisqually Alder Park Sewer Station EG & ATS Upgrade	0	132,000
Nisqually Alder U11 Generator Rewind	7,000,000	300,000
Nisqually LaGrande Downstream Fish Barrier - FERC	534,000	251,000

Tacoma Power	2023-24	2025-26
Capital Outlay	Biennium Budget	Biennium Budget

Nisqually LaGrande U1, U2, U3, U4 Excitation Upgrade	500,000	575,000
Nisqually LaGrande U1, U2, U3, U4 Protection Relay Upgrade	500,000	1,000,000
Nisqually U5, U12 Turbine Generation Modernization	0	5,000,000
Wynoochee Powerhouse Substation EG	304,000	190,000

Generation A & R

Cowlitz Project Generation	142,000	0
Cowlitz Project Recreation	201,000	0
Cushman Project Generation	210,000	0
Fish Facilities	452,000	0
Generation Engineering	0	110,000
Gen Engineering Automation	197,000	0
Gen Engineering Civil	50,000	0
Gen Engineering Electrical	130,000	0
Gen Engineering Mechanical	107,000	0
Generation Hydro Project	0	1,322,000
Generation HMI Server Replacement	491,000	0
Generation Natural Resources	0	366,000
Natural Resources	22,000	0
Nisqually Project Generation	150,000	0
Nisqually Project Recreation	110,000	0
Wynoochee Project Generation	169,000	0
Generation Total	\$41,551,000	\$41,214,000

Power Management Capital Projects

Customer Energy Programs	\$9,954,000	\$9,000,000
Hydrogen Production, Distribution, and Storage	2,340,000	0
Transportation Electrification	1,538,000	0
Power Management Total	\$13,832,000	\$9,000,000

Transmission & Distribution Capital Projects

#6 Copper Conductor Replacement	\$887,000	\$1,540,000
115 kV Sectionalizing MOD	352,000	400,000
Billable-WSDOT SR167 Ph1 Stg1b: I5-SR509	3,000,000	0
Distribution Automation	688,000	1,983,000
Fawcett Ave Duct bank	1,280,000	1,473,000
Substation Grounding Enhancements	107,000	520,000
Joint Use Pole Enhanced Permitting Project	279,000	0
LaGrande Bank 3 GSU Replacement	1,419,000	0

Tacoma Power	2023-24	2025-26
Capital Outlay	Biennium Budget	Biennium Budget

MC Switchgear Replacement Pilot Project	1,188,000	2,670,000
Southwest Bank 1 Replacement	0	60,000
South Service Area West Distribution Substation	0	1,778,000
Transmission Line Uprating	0	288,000

Transmission & Distribution A & R

Central Business District	\$1,962,000	\$2,595,000
Distribution Efficiency	232,000	280,000
Distribution Substation Transformer Replacement	4,487,000	3,319,000
Distribution System Upgrades	4,403,000	737,000
Distribution Transformer	5,723,000	16,640,000
Distribution UG/PM Switchgear Replacement	301,000	669,000
Energy Management System	1,577,000	3,520,000
HFC Fiber Projects	686,000	834,000
HFC Road Projects - Power Apps	695,000	0
Joint Use	1,252,000	2,290,000
MC Switchgear Replacement	0	2,495,000
Meters and Devices	2,285,000	2,690,000
New Services	3,990,000	4,430,000
Overhead Distribution & Transmission	14,308,000	26,570,000
Protection & Controls	1,554,000	2,127,000
Rental Light	500,000	760,000
Roads / Public R/W	5,270,000	4,690,000
Substation	2,814,000	5,105,000
T&D Tools and Materials	250,000	540,000
Transmission	1,191,000	3,385,000
Underground	1,621,000	2,410,000
Transmission & Distribution Total	\$64,301,000	\$96,798,000

Utility Technology Services Capital Projects

Advanced Metering Infrastructure (AMI)	\$0	\$590,000
AI for Quality Assurance	0	97,000
Asset Investment Planning Software	800,000	0
Automated Distribution Management System	13,997,000	10,572,000
Customer Engagement Portal	1,495,000	0
Distributed Antenna Systems	1,555,000	1,348,000
EAP Notifications	0	45,000
Financial Planning Software	587,000	0
Identity and Access Management	723,000	0
MyAccount Value Stream	0	704,000
Paging and Alert System Upgrade	0	1,095,000
Physical Access Control System Replacement	173,000	0
Power GIS Modernization	1,083,000	4,966,000
Power GIS Value Stream	6,140,000	0

Tacoma Power	2023-24	2025-26
Capital Outlay	Biennium Budget	Biennium Budget
Power VHF Radio System Upgrade	2,749,000	0
RTU Replacements	0	1,470,000
Telephony Modernization	0	2,283,000
Verint Upgrade	51,000	0
Wide Area Network Modernization	2,048,000	0
<u>Utility Technology Services A & R</u>		
Advanced Metering	\$0	\$1,846,000
Conference Room AV Upgrades	718,000	558,000
Cybersecurity and Resilience	916,000	228,000
Operational Information Systems	478,000	0
Telephony	308,000	576,000
Unmanned Aircraft Systems Program	40,000	110,000
Utility/Grid Modernization	3,254,000	1,112,000
UTS Communications	1,451,000	1,369,000
Utility Technology Services Total	\$38,566,000	\$28,969,000
Total Capital Outlay	\$179,379,000	\$222,442,000

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TACOMA WATER

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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TACOMA WATER	2021-22	2023-24	2025-26
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Operating Revenue

Water Sales	\$200,187,583	\$196,148,741	\$217,827,004
Anticipated Additional Revenue	0	11,980,391	21,714,921
Other Operating Revenue	7,864,067	8,129,005	7,273,813
Total Operating Revenue	208,051,650	216,258,137	246,815,738

Non-Operating Revenue

Interest	1,862,489	800,000	1,000,000
BABS Interest Federal Subsidy	5,613,471	5,603,040	5,487,131
Miscellaneous	1,678,455	721,093	462,158

Transfers from other Funds:

Capital Reserve Fund	34,293,702	12,291,156	9,402,723
System Development Charge Fund	957,946	35,077,277	26,179,628
(Anticipated) Revenue Bond Proceeds	0	0	36,721,807

Appropriation from Fund Balance	0	26,617,803	16,739,133
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Total Revenue & Available Funds	\$252,457,712	\$297,368,506	\$342,808,318
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EXPENDITURES

Personnel Costs	\$61,487,979	\$73,143,749	\$89,656,235
Supplies, Services & Other Charges	56,152,365	74,893,532	88,679,985
Taxes - Current Revenue Estimate	29,465,154	28,873,486	31,851,119
Taxes - Anticipated Additional Revenue	0	1,606,654	2,917,923
Debt Service	50,539,534	46,099,167	50,398,897
Capital Outlay	56,392,952	72,751,918	79,304,158

Total Expenditures	\$254,037,984	\$297,368,506	\$342,808,318
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CAPITAL OUTLAY FINANCING DETAIL

Funded from Operating Fund		\$25,383,485	\$7,000,000
Funded from Capital Reserve Fund		12,291,156	9,402,723
Funded from System Development Charge Fund		35,077,277	26,179,628
Funded from Anticipated Bond Fund		0	36,721,807

Total Capital Outlay		\$72,751,918	\$79,304,158
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PERSONNEL - Budgeted FTEs	300.8 / 300.8	325.0 / 325.0	325.0 / 325.0
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2025-26 has reclassified or restated to reflect organizational changes.

TACOMA WATER	2021-22	2023-24	2025-26
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE SUMMARY

Water Sales	\$200,187,583	\$196,148,741	\$217,827,004
Anticipated Additional Revenue	0	11,980,391	21,714,921
Other Operating Revenue	7,864,067	8,129,005	7,273,813
Total Operating Revenue	208,051,650	216,258,137	246,815,738
Non-Operating Revenue	44,406,062	54,492,566	79,253,447
Appropriation from Fund Balance	0	26,617,803	16,739,133

Total Revenue & Available Funds	\$252,457,712	\$297,368,506	\$342,808,318
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REVENUE DETAIL

Water Sales

Residential	\$133,813,771	\$135,422,336	\$161,223,006
Pulp Mill	14,628,050	14,629,756	0
Wholesale	5,145,669	5,796,800	5,676,295
Other Water Sales	46,600,092	40,299,849	50,927,703
	200,187,583	196,148,741	217,827,004
Anticipated Additional Revenue	0	11,980,391	21,714,921
Total Water Sales	200,187,583	208,129,132	239,541,925
Cascade Water Alliance	4,766,667	4,466,766	4,134,854
Public Fire Protection	0	766,557	0
Miscellaneous Water Revenue	3,097,400	2,895,682	3,138,959
Total Other Operating Revenue	7,864,067	8,129,005	7,273,813
Total Operating Revenue	208,051,650	216,258,137	246,815,738

Other Income

Interest	1,862,489	800,000	1,000,000
BABS Interest Federal Subsidy	5,613,471	5,603,040	5,487,131
Miscellaneous	1,678,455	721,093	462,158
Transfers from Other Funds:			
Capital Reserve Fund	34,293,702	12,291,156	9,402,723
System Development Charge	957,946	35,077,277	26,179,628
(Anticipated) Revenue Bond Proceeds	0	0	36,721,807
Total Non-Operating Revenue	44,406,062	54,492,566	79,253,447
Appropriation from Fund Balance	0	26,617,803	16,739,133

Total Revenue & Available Funds	\$252,457,712	\$297,368,506	\$342,808,318
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TACOMA WATER	2021-22	2023-24	2025-26
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Section

Water Administration	\$69,508,692	\$74,940,288	\$95,332,083
Maintenance & Construction	32,299,377	42,304,297	46,754,696
Business Services	10,433,549	16,657,750	18,835,270
Customer & Employee Experience	6,585,141	9,475,397	0
Customer and Financial Services	0	0	10,607,447
Planning & Engineering	12,338,733	15,201,359	20,385,560
Source Water & Treatment Ops	15,940,007	19,938,329	21,190,206

Total for Division	\$147,105,497	\$178,517,421	\$213,105,262
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$55,332,354	\$66,166,267	\$77,175,565
Employee Benefits	22,331,074	27,056,432	30,717,800
Capital Credit & Labor To/From Others	(16,175,449)	(20,078,950)	(18,237,130)
Total Personnel Costs	61,487,979	73,143,749	89,656,235
Supplies	16,664,920	21,176,396	22,662,288
Services	10,547,018	17,193,264	18,342,196
Other Charges	3,862,270	4,615,731	8,755,652
Assessments	25,078,157	31,908,141	38,919,849
Taxes	29,465,154	30,480,140	34,769,043

Total for Division	\$147,105,497	\$178,517,421	\$213,105,262
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TACOMA WATER	2021-22	2023-24	2025-26
Taxes	Biennium Actual	Biennium Budget	Biennium Budget

TAX PAYMENTS

City of Tacoma:

Gross Earnings Tax (8.0%)	\$17,034,817	\$16,362,659	\$18,053,656
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State of Washington:

Utility & Business Taxes	10,063,236	9,949,866	11,018,390
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Other*	2,367,101	2,560,961	2,779,074
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Subtotal	29,465,154	28,873,486	31,851,119
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Anticipated Additional Revenue**

Gross Earnings Tax (8.0%)	0	958,432	1,737,194
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Utility & Business Taxes	0	602,494	1,092,044
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Other*	0	45,728	88,685
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	0	1,606,654	2,917,923
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Total City and Utility Tax	29,465,154	30,480,140	34,769,042
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Federal Taxes (FICA)	4,114,958	5,093,101	5,703,837
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Total Tacoma Water Taxes	\$33,580,112	\$35,573,241	\$40,472,879
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Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

* Other includes franchise, administrative and other fees paid to other cities and entities and fire patrol assessments paid to WA State DNR.

** Taxes on anticipated additional revenue due to rate increase.

TACOMA WATER	2021-22	2023-24	2025-26
Debt Service	Biennium Actual	Biennium Budget	Biennium Budget

DEBT SERVICE SUMMARY

Interest	\$25,663,768	\$24,795,311	\$28,699,715
Principal	24,875,766	21,303,856	21,699,182

Total Debt Service	\$50,539,534	\$46,099,167	\$50,398,897
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DEBT SERVICE DETAIL

BONDS

2005 Bonds	Interest	\$500	\$500	\$0
\$5,000 remaining after refund	Principal	0	417	0
2009 Build America Bonds	Interest	8,830,661	8,830,661	8,830,661
\$76,775,000				
2010 Build America Bonds	Interest	8,154,705	8,145,676	7,794,490
\$74,985,000	Principal	0	2,567,917	7,585,833
2013 Refunding of 2003 Bonds	Interest	5,948,400	5,948,400	0
\$74,355,000	Principal	0	0	0
2015 Refunding Bonds	Interest	825,230	472,500	92,812
\$18,430,000	Principal	3,439,583	3,795,000	1,856,250
2020 Bank Loan Refunding of 2010	Interest	295,000	52,865	0
\$17,466,514	Principal	9,078,785	3,776,064	0
2024 Bonds	Interest	0	0	6,380,000
\$63,800,000	Principal	0	0	0
2026 Bonds	Interest	0	0	4,511,122
\$83,000,000	Principal	0	0	1,357,977

LOANS

Public Works Trust Fund Loans	Interest	120,344	82,927	52,950
	Principal	4,167,701	3,024,071	2,758,735
State Drinking Water Fund Loans	Interest	1,488,928	1,261,783	1,037,680
	Principal	8,189,697	8,140,387	8,140,387

Total Debt Service	\$50,539,534	\$46,099,167	\$50,398,897
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TACOMA WATER	2023-2024	2025-2026
Capital Outlay	Biennium Budget	Biennium Budget

SUMMARY

General Plant	\$20,342,802	\$9,722,236
Water Source	23,274,617	43,678,854
Water Treatment	9,160,670	7,498,314
Water Distribution	19,973,829	18,404,754

Sub-Total	\$72,751,918	\$79,304,158
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Projects Funded from Water Operating Reserve Fund	25,383,485	7,000,000
Projects Funded from Water Capital Reserve Fund	12,291,156	9,402,723
Projects Funded from System Development Charge Fund	35,077,277	26,179,628
Projects Funded from Anticipated Bond Fund	0	36,721,807

Total Operating Fund Capital Outlay	\$72,751,918	\$79,304,158
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General Plant

UTS and Customer Service Projects	\$766,261	\$5,340,556
Advanced Meter Infrastructure (AMI)	12,423,039	0
Smart Water Program	0	1,443,000
Land Purchases and Contingency	750,000	500,000
Unanticipated Capital Project/Plant or Equip Failure	1,300,000	1,300,000
Capital Carryforward Factor	(7,856,944)	(7,470,524)
Fleet Additions and Replacements	12,960,446	8,609,204
General Plant Total	\$20,342,802	\$9,722,236

Water Source

Water Operations Warehouse Building	\$1,000,000	\$24,700,000
Reservoir Improvements	1,070,000	0
Cascadia Reservoir and PS	0	2,726,112
Prairie Ridge Springs Slope Failure	167,000	0
Groundwater Prioritization (Wells Master Plan)	5,960,000	1,074,000
Pipeline 1 Pressurization Program	4,431,200	12,400,000
P1 Projects (non-program)	0	532,258
Electrical and Communications Upgrades	995,000	956,627
Cathodic Protection	500,000	300,000
Tehlaeh 950 Reservoir and 1010 Pump Station	9,151,417	0
Supply System Improvements	0	989,857
Water Source Total	\$23,274,617	\$43,678,854

Water Treatment

Built Forestland Assets	\$50,000	\$180,000
Dedicated Distribution Sample Stations	30,000	30,000

TACOMA WATER	2023-2024	2025-2026
Capital Outlay	Biennium Budget	Biennium Budget

GPL Wells Improvements and Treatment	4,770,000	0
Hood St Chlorination System Improvements	250,000	55,000
Muckleshoot Agreement	1,750,000	600,000
Palmer Area Improvements	140,000	0
West McDonald Genset & Batteries replacement	100,000	48,000
Flow meter bulk replacements (1st Div Only)	31,250	0
South Tacoma Wells PFAS Treatment	0	1,250,000
1st Diversion Share of RWSS Projects:		
1st Diversion: Backwash Tank Refill Flow Control	0	174,000
1st Diversion: Fish Passage Facility Upgrades	0	746,114
1st Diversion: Fluoride HMI/RTU Relocation & Profinet Conversion	0	34,800
1st Diversion: Flow meter bulk replacements	8,147	0
1st Diversion: GRFF Chemical Feed Lines	0	151,761
1st Diversion: GRFF Critical Pump and Motor Spares	0	143,550
1st Diversion: GRFF Improvements	417,143	0
1st Diversion: GRFF Visitor & Access Control Solution	0	174,000
1st Diversion: Headworks Space Planning	536,237	0
1st Diversion: Ozone System Upgrades	130,357	3,095,025
1st Diversion: RWSS Fleet Additions and Replacements	387,989	205,364
1st Diversion: RWSS Major Electrical and Control Equipment	86,905	87,000
1st Diversion: RWSS Major Treatment and Equipment	86,905	130,500
1st Diversion: RWSS North Fork Wells Renewal & Replacement	106,105	106,100
1st Diversion: RWSS Watershed Betterments	92,119	184,875
1st Diversion: RWSS Watershed Tools and Equipment	47,798	58,725
1st Diversion: Trap and Sort Facility Upgrade	139,715	0
1st Diversion: Upper Green River Water Monitoring	0	43,500
Water Treatment Total	\$9,160,670	\$7,498,314

Water Distribution

PRV Rebuilds	\$195,000	\$0
Blowoff Installation and Replacement	200,000	300,000
Capital Meter Replacements	490,552	1,000,000
FRP: Franchise Required Projects	820,000	941,800
Hydrant Installation & Replacement	460,000	600,000
MRP: Curran Road Water System Improvements	260,000	4,310,421
MRP: Projects of Opportunity (Identified Projects)	12,534,924	30,000
MRP: Model Driven (Identified Projects) 23/24	520,421	6,369,201
Vactor Truck	600,000	0
Valve Renewal and Replacement	325,000	450,000
Water Service Replacement & Renewals	1,312,000	4,000,000
WDP: Water Division Projects	200,000	200,000

TACOMA WATER	2023-2024	2025-2026
Capital Outlay	Biennium Budget	Biennium Budget

Non-Program AMI Costs	2,055,932	0
Decant Facility 2nd flocculation Tank	0	143,332
High Cedars PRV Station Demolition	0	40,000
Lawrence St & 40th Valve Replacement	0	20,000
Water Distribution Total	\$19,973,829	\$18,404,754

Total Capital Outlay	\$72,751,918	\$79,304,158
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TACOMA RAIL

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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TACOMA RAIL	2021-22	2023-24	2025-26
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Switching Revenue	\$58,293,963	\$66,159,188	\$74,628,536
Miscellaneous Revenue	7,925,563	2,880,600	2,974,020
Total Operating Revenue	66,219,526	69,039,788	77,602,556
Other Income	1,204,388	1,217,827	2,884,527
Total Revenue & Available Funds	\$67,423,914	\$70,257,615	\$80,487,083

EXPENDITURES

Personnel Costs	\$32,106,895	\$36,458,545	\$41,587,733
Supplies, Services & Other Charges	23,746,710	19,472,807	22,214,066
Taxes	6,442,614	6,740,999	7,721,521
Debt Service	1,959,851	1,865,264	1,568,763
Capital Outlay	-	5,720,000	7,395,000
Total Expenditures	\$64,256,070	\$70,257,615	\$80,487,083

CAPITAL OUTLAY FINANCING DETAIL

Funded from Operating Fund		\$5,720,000	\$7,395,000
Funded from Anticipated Bank Loan Proceeds/Grants		8,350,000	21,735,000
Total Capital Outlay		\$14,070,000	\$29,130,000

PERSONNEL - Budgeted FTEs	127.0 / 127.0	114.0 / 114.0	120.0 / 120.0
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TACOMA RAIL	2021-22	2023-24	2025-26
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE SUMMARY

Switching Revenue	\$58,293,963	\$66,159,188	\$74,628,536
Miscellaneous Revenue	7,925,563	2,880,600	2,974,020
Total Operating Revenue	66,219,526	69,039,788	77,602,556

Other Income	1,204,388	1,217,827	2,884,527
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Total Revenue & Available Funds	\$67,423,914	\$70,257,615	\$80,487,083
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REVENUE DETAIL

Switching Revenue

Line Hauls & Local	\$53,735,493	\$63,159,188	\$71,388,536
Demurrage	4,558,470	3,000,000	3,240,000
Total Switching Revenue	58,293,963	66,159,188	74,628,536

Locomotive Servicing	7,373,173	2,454,000	2,547,420
Miscellaneous Revenue	552,390	426,600	426,600
Total Miscellaneous Revenue	7,925,563	2,880,600	2,974,020

Total Operating Revenue	66,219,526	69,039,788	77,602,556
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Other Income

Rent & Other Income	940,520	962,400	2,300,000
Interest Income	263,868	235,400	480,000
Total Non-Operating Revenue	1,204,388	1,197,800	2,780,000

Appropriation from Fund Balance	0	20,027	104,527
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Total Revenue & Available Funds	\$67,423,914	\$70,257,615	\$80,487,083
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TACOMA RAIL	2021-22	2023-24	2025-26
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Section

Rail Administration	\$20,485,985	\$21,987,390	\$24,753,812
Operations	22,267,867	24,409,884	27,715,525
Mechanical	14,415,574	10,298,192	12,117,909
Construction	5,126,792	5,976,884	6,936,074

Total for Division	\$62,296,219	\$62,672,351	\$71,523,320
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$22,845,043	\$25,516,008	\$28,897,932
Employee Benefits	10,248,651	10,768,129	12,489,801
Capital Credit & Labor To/From Others	(986,799)	174,408	200,000
Total Personnel Costs	32,106,895	36,458,545	41,587,733
Supplies	2,493,932	2,444,634	3,608,082
Services	10,987,457	7,615,820	7,758,277
Other Charges	5,596,190	4,451,564	5,471,146
Assessments	4,669,131	4,960,789	5,376,561
Taxes	6,442,614	6,740,999	7,721,521

Total for Division	\$62,296,219	\$62,672,351	\$71,523,320
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TACOMA RAIL Taxes	2021-22 Biennium Actual	2023-24 Biennium Budget	2025-26 Biennium Budget
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TAX PAYMENTS

City of Tacoma:

Gross Earnings Tax (8.0%)	\$5,368,361	\$5,700,000	\$6,548,346
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State of Washington:

Utility & Business Tax	1,069,521	1,040,999	1,170,625
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Other Taxes	4,733	0	2,550
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Subtotal	6,442,614	6,740,999	7,721,521
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Federal Railroad Taxes	4,459,094	4,502,843	5,256,493
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Total Tacoma Rail Taxes	\$10,901,708	\$11,243,842	\$12,978,014
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Note: State Sales Tax is included in O & M Budget line items for materials.

Federal Railroad Taxes are paid in lieu of FICA and Retirement and are included in personnel services.

TACOMA RAIL	2021-22	2023-24	2025-26
Debt Service	Biennium Actual	Biennium Budget	Biennium Budget

DEBT SERVICE SUMMARY

Interest	\$0	\$0	\$0
Principal	1,959,851	1,865,264	1,568,763

Total Debt Service	\$1,959,851	\$1,865,264	\$1,568,763
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DEBT SERVICE DETAIL

Rail Bank Loans	Principal	\$1,959,851	\$1,865,264	\$1,568,763
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Total Debt Service		\$1,959,851	\$1,865,264	\$1,568,763
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TACOMA RAIL	2023-2024	2025-2026
Capital Outlay	Biennium Budget	Biennium Budget

SUMMARY

General Plant	\$0	\$0
Communications	50,000	0
Facility Upgrades	1,800,000	1,850,000
Rail Equipment/Vehicles	5,350,000	19,800,000
Track Improvements	6,870,000	7,480,000

Sub-Total	\$14,070,000	\$29,130,000
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Projects Funded from Rail Bank Loan	(1,990,000)	(640,000)
Projects Funded from Anticipated Bank Loan	0	(1,200,000)
Projects Funded from CIAC	(1,400,000)	(950,000)
Projects Funded from Grants	(4,960,000)	(18,945,000)

Total Operating Fund Capital Outlay	\$5,720,000	\$7,395,000
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Communications

Locomotive Health & Location Monitoring	\$50,000	\$0
Communications Total	\$50,000	\$0

Facility Upgrades

Installation of BEL Charging Station	\$1,300,000	\$1,400,000
West Barn Roof	200,000	0
Locomotive Jacks	0	450,000
Secondary Fueling Upgrades	300,000	0
Facility Upgrades Total	\$1,800,000	\$1,850,000

TACOMA RAIL	2023-2024	2025-2026
Capital Outlay	Biennium Budget	Biennium Budget

Rail Equipment/Vehicles

Locomotive Repower	\$5,000,000	\$16,650,000
2100 Consent Decree Upgrades	0	250,000
Track Ballast Tamper	0	1,400,000
Locomotive Truck Overhauls	0	200,000
Boom Truck	0	600,000
Vehicles	350,000	700,000
Rail Equipment/Vehicles Total	\$5,350,000	\$19,800,000

Track Improvement Projects

Tidelands Infrastructure Improvements	\$1,000,000	\$1,000,000
Crossing Improvements	0	250,000
509 Crossing Removal	0	455,000
Taylor Way Yard Upgrades	0	1,600,000
Port Road - Lianga Curve Signalization	550,000	0
Port Road - HITW Stub Signalization	100,000	0
Alexander Wye and Storage Track Upgrades	860,000	0
Annie Tracks Switch and Curve Upgrade	2,600,000	950,000
US Oil Crossings Signalization	850,000	2,500,000
Six Switch Replacements	0	725,000
Switch Replacements - Blair Peninsula	910,000	0
Track Improvement Projects Total	\$6,870,000	\$7,480,000

Total Capital Outlay	\$14,070,000	\$29,130,000
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FLEET SERVICES FUND

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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FLEET SERVICES	2021-22	2023-24	2025-26
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Replacement Fees	\$988,267	\$993,668	\$20,540
Administrative Overhead	2,512,325	2,379,000	3,287,058
Fees for Services	6,959,868	8,245,280	9,351,137
Total Operating Revenue	10,460,460	11,617,948	12,658,735
Other Income	86,787	0	0
Appropriation from Fund Balance	0	217,428	667,510

Total Revenue & Available Funds	\$10,547,248	\$11,835,376	\$13,326,245
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EXPENDITURES

Personnel Costs	\$6,868,006	\$8,162,831	\$9,998,686
Supplies	107,298	19,228	127,540
Services	776,529	1,117,609	704,676
Other Charges	641,505	504,992	938,544
Assessments	898,972	819,619	871,799
Total Operations & Maintenance	9,292,310	10,624,280	12,641,245
Capital Outlay	(2,030,155)	1,211,096	685,000

Total Expenditures	\$7,262,155	\$11,835,376	\$13,326,245
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PERSONNEL - Budgeted FTEs	32.0 / 32.0	32.0 / 32.0	32.0 / 32.0
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SELF-INSURANCE FUND

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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SELF-INSURANCE CLAIM FUND	2021-22	2023-24	2025-26
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Sources of Revenue

Transfers - Tacoma Power	\$2,075,512	\$1,000,000	\$0
Transfers - Tacoma Water	480,000	480,000	480,000
Transfers - Tacoma Rail	480,000	480,000	480,000
Interest	232,620	200,000	200,000
Appropriation from Fund Balance	0	3,518,200	4,493,200

Total Revenue & Available Funds	\$3,268,132	\$5,678,200	\$5,653,200
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EXPENDITURES

Secondary Labor Costs	\$0	\$0	\$0
Supplies	0	600	600
Services	105,149	1,506,500	1,506,500
Other Charges	1,231,661	4,012,100	4,012,100
Assessments	143,522	159,000	134,000

Total Expenditures	\$1,480,332	\$5,678,200	\$5,653,200
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FAMILY NEED FUND

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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FAMILY NEED FUND	2021-22	2023-24	2025-26
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

RECEIPTS

Customer Donations	\$87,007	\$0	\$0
Tacoma Power Contribution	2,000,000	7,000,000	4,500,000
Interest	(35,586)	0	0
Appropriation from Fund Balance	0	0	5,500,000

Total Receipts	\$2,051,422	\$7,000,000	\$10,000,000
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EXPENDITURES

Family Need	\$732,162	\$7,000,000	\$10,000,000
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Total Expenditures	\$732,162	\$7,000,000	\$10,000,000
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Tacoma Water has their own program outside of this fund.

Additional Administrative expenses are paid by Tacoma Power and are included in Power's budget.

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**ADMINISTRATIVE OFFICES
and
TPU SUPPORT SERVICES**

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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TPU ADMINISTRATION	2021-22	2023-24	2025-26
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$4,266,521	\$5,752,027	\$7,159,736
Employee Benefits	1,514,024	2,370,487	2,713,103
Capital Credit & Labor To/From Others	15,946	45,000	50,000
Total Personnel Costs	5,796,491	8,167,513	9,922,839
Supplies	271,868	322,698	496,327
Services	128,961	592,392	1,158,801
Other Charges	701,338	895,739	1,090,807
Assessments	373,280	337,250	477,463

Total for TPU Administration	\$7,271,937	\$10,315,592	\$13,146,238
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Director & Board (575100)

Salaries & Wages	\$1,012,217	\$1,374,742	\$1,607,411
Employee Benefits	223,534	455,534	403,054
Capital Credit & Labor To/From Others	15,172	45,000	50,000
Total Personnel Costs	1,250,922	1,875,276	2,060,465
Supplies	80,010	90,468	162,842
Services	26,377	362,500	136,200
Other Charges	477,631	580,811	475,750
Assessments	85,974	78,794	90,832
Total	\$1,920,914	\$2,987,849	\$2,926,089

Management Services Office (575200)

Salaries & Wages	\$1,924,839	\$2,574,542	\$2,993,428
Employee Benefits	704,741	935,901	1,046,491
Capital Credit & Labor To/From Others	1,590	0	0
Total Personnel Costs	2,631,170	3,510,442	4,039,919
Supplies	94,083	54,926	93,290
Services	102,413	164,116	1,035,225
Other Charges	180,803	246,464	205,897
Assessments	168,827	188,185	216,108
Total	\$3,177,296	\$4,164,134	\$5,590,439

TPU ADMINISTRATION Section Consolidation	2021-22 Biennium Actual	2023-24 Biennium Budget	2025-26 Biennium Budget
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Public Records Office (575201)

Salaries & Wages	\$879,122	\$956,856	\$1,224,791
Employee Benefits	386,075	664,944	739,820
Capital Credit & Labor To/From Others	(816)	0	0
Total Personnel Costs	1,264,381	1,621,800	1,964,611
Supplies	18,310	169,614	178,485
Services	28	15,776	(9,724)
Other Charges	34,108	13,359	349,186
Assessments	0	0	0
Total	\$1,316,827	\$1,820,549	\$2,482,558

Public Records - Body Worn Cams (575202)*

Salaries & Wages	\$450,343	\$845,887	\$1,334,106
Employee Benefits	199,675	314,108	523,738
Capital Credit & Labor To/From Others	0	0	0
Total Personnel Costs	650,018	1,159,996	1,857,844
Supplies	79,465	7,690	61,710
Services	143	50,000	(2,900)
Other Charges	8,796	55,105	59,974
Assessments	118,479	70,270	170,523
Total	\$856,900	\$1,343,061	\$2,147,151

*All costs assessed to General Government

Total for TPU Administration	\$7,271,937	\$10,315,592	\$13,146,238
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PERSONNEL - Budgeted FTEs **22.0 / 22.0** **23.0 / 23.0** **25.0 / 25.0**

Prior years may have been reclassified or restated to reflect organizational changes.

TPU SUPPORT SERVICES	2021-22	2023-24	2025-26
Section Consolidation	Biennium Actuals	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

TPU Real Property Services (576800)

Salaries & Wages	\$227,071	\$0	\$0
Employee Benefits	91,396	0	0
Capital Credit & Labor To/From Others	1,944,578	0	0
Total Personnel Costs	2,263,045	0	0
Supplies	31,945	0	0
Services	2,313	0	0
Other Charges	195,888	0	0
Assessments	129,905	0	0
Total for TPU Real Property Services	\$2,623,096	\$0	\$0

PERSONNEL - Budgeted FTEs **7.25 / 7.25** **0.0 / 0.0** **0.0 / 0.0**

TPU UTS Software & Desktop Support (579800)

Salaries & Wages	\$1,072,706	\$1,311,374	\$1,486,584
Employee Benefits	393,066	474,094	518,283
Capital Credit & Labor To/From Others	(297,355)	(105,481)	(97,523)
Total Personnel Costs	1,168,416	1,679,986	1,907,344
Supplies	41,539	166,564	54,770
Services	826,302	1,848,894	2,324,801
Other Charges	598,797	800,701	1,002,914
Total for TPU UTS Software & Desktop Support	\$2,635,054	\$4,496,145	\$5,289,829

PERSONNEL - Budgeted FTEs **5.0 / 5.0** **5.0 / 5.0** **5.0 / 5.0**

SUMMARY - Operation & Maintenance by Category

Copier Services (577400)

Salaries & Wages	\$0	\$0	\$0
Employee Benefits	0	0	0
Capital Credit & Labor To/From Others	50,756	50,000	50,000
Total Personnel Costs	50,756	50,000	50,000
Supplies	33,644	90,000	80,000
Services	94,710	350,000	700,000
Other Charges	158,100	457,680	10,000
Assessments	0	0	0
Total for Copier Services	\$337,210	\$947,680	\$840,000

PERSONNEL - Budgeted FTEs **0.0 / 0.0** **0.0 / 0.0** **0.0 / 0.0**

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**CUSTOMER EXPERIENCE & EXTERNAL AFFAIRS
DIVISION**

TACOMA PUBLIC UTILITIES

2025/2026

DRAFT PRELIMINARY BIENNIUM BUDGET

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CUSTOMER EXPERIENCE & EXTERNAL AFFAIRS (CXEA)	2021-22	2023-24	2025-26
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Section

Customer Experience - (Customer Services)	\$44,285,989	\$56,304,199	\$58,601,663
External Affairs - (Public Affairs)	15,377,457	18,907,970	25,099,512
Total for Division	\$59,663,446	\$75,212,168	\$83,701,175

SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$31,678,287	\$38,227,014	\$43,047,094
Employee Benefits	14,001,704	16,526,268	18,190,451
Capital Credit & Labor To/From Others	(1,356,685)	(478,000)	(754,000)
Total Personnel Costs	44,323,306	54,275,283	60,483,545
Supplies	1,094,952	1,436,428	2,036,632
Services	4,430,386	5,414,668	5,626,991
Other Charges	5,240,121	8,261,161	8,604,905
Assessments	4,689,586	5,824,629	6,949,102
Total Operation & Maintenance	59,778,351	75,212,168	83,701,175
Capital Outlay	(114,905)	0	0
Total for Division	\$59,663,446	\$75,212,168	\$83,701,175

PERSONNEL - Budgeted FTEs	190.2 / 190.2	204.9 / 204.9	202.0 / 202.0
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CUSTOMER SERVICES	2021-22	2023-24	2025-26
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$23,019,406	\$27,628,831	\$28,876,787
Employee Benefits	10,619,404	12,442,058	12,853,842
Capital Credit & Labor To/From Others	(1,010,782)	(200,000)	(400,000)
Total Personnel Costs	32,628,028	39,870,889	41,330,629
Supplies	859,793	1,218,610	1,744,638
Services	2,874,398	3,510,000	3,158,591
Other Charges	3,880,101	6,459,237	6,582,891
Assessments	4,158,573	5,245,463	5,784,914
Total Operation & Maintenance	44,400,894	56,304,199	58,601,663
Capital Outlay	(114,905)	0	0
Total for Customer Services	\$44,285,989	\$56,304,199	\$58,601,663

SUMMARY - Operation & Maintenance by Cost Center

Customer Service Manager			
579700 - TPU Customer Service Admin	\$5,952,091	\$7,286,461	\$5,196,787
579510 - TPU Customer Service Finance	0	0	1,565,861
Customer Service Customer Solutions			
572500 - TPU Customer Solutions	3,342,069	3,896,695	4,785,988
Customer Service Business Enablement			
578800 - TPU CS Business Enablement	2,341,554	4,348,929	4,327,658
579500 - TPU Customer Service Admin Support	1,136,174	1,404,367	682,529
579600 - TPU Customer Service Switchboard	161,912	224,367	257,034
Customer Services Business Office			
577200 - TPU CS Contact Center	9,983,352	13,478,016	15,745,607
578100 - TPU Customer Service Lobby Svcs	1,905,128	2,340,732	3,175,456
579900 - TPU Customer Service Bus. Office Manager	2,792,521	2,625,354	3,299,774
Customer Services Operations			
578500 - TPU Customer Service Billing	2,372,043	3,297,614	4,279,445
578900 - TPU Customer Service Field Operations Mgr.	1,415,099	1,671,054	865,183
579100 - TPU Customer Service Mail & Print	3,057,433	4,321,252	4,073,735
579200 - TPU Customer Service Field Investigation	4,420,055	5,511,206	9,559,453
579300 - TPU Mail & Print TMB	774,328	956,135	787,154
579400 - TPU Customer Service Meter Reading	4,747,134	4,942,018	0
Total Operation & Maintenance	44,400,894	56,304,199	58,601,663
Capital Outlay	(114,905)	0	0
Total for Customer Services	\$44,285,989	\$56,304,199	\$58,601,663

PERSONNEL - Budgeted FTEs	145.2 / 145.2	160.1 / 160.1	149.0 / 149.0
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EXTERNAL AFFAIRS	2021-22	2023-24	2025-26
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$8,658,881	\$10,598,183	\$14,170,307
Employee Benefits	3,382,300	4,084,211	5,336,609
Capital Credit & Labor To/From Others	(345,903)	(278,000)	(354,000)
Total Personnel Costs	11,695,278	14,404,394	19,152,916
Supplies	235,159	217,818	291,994
Services	1,555,988	1,904,668	2,468,400
Other Charges	1,360,020	1,801,924	2,022,014
Assessments	531,012	579,166	1,164,188
Total Operation & Maintenance	15,377,457	18,907,970	25,099,512

Total for External Affairs	\$15,377,457	\$18,907,970	\$25,099,512
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SUMMARY - Operation & Maintenance by Cost Center

External Affairs

579000 Business Solutions	2,013,823	1,994,275	2,393,502
577100 Training	1,133,426	1,771,693	2,212,762
575701 External Affairs	3,531,995	4,375,316	5,544,499
572000 Market Development	2,773,106	3,327,679	6,026,232
572100 Account Executives	1,385,991	1,652,211	2,017,379
575700 Communications	4,539,116	5,786,794	6,905,138
Total Operation & Maintenance	15,377,457	18,907,970	25,099,512

Total for External Affairs	\$15,377,457	\$18,907,970	\$25,099,512
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PERSONNEL - Budgeted FTEs	45.0 / 45.0	44.8 / 44.8	53.0 / 53.0
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