Agenda

- Budget and Rates Timeline
- Shared Services Overviews
  - Customer Experience & External Affairs (CXEA)
  - Management Services Office
  - Facilities
  - Fleet
  - Utility Technology Services
Budget and Rates Timeline

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Reserves and Financial Policies
- 3/27: Rate and Financial Policies
- Reserve Funds
- Financing Updates

APR

WE ARE HERE

Budget Overview
- 4/10: Cost Saving Measures
- 4/24: TPU Shared Services

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Budget Overview
- 5/08: Rail Overview & Strategy
- 5/22:
  - Power Overview, Strategy, LRFP
  - Water Overview & Strategy

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Shared Services
- 6/26: TPU and GG Updates

Rates
- 7/10:
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  - Water LRFP

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Rates
- 8/14:
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TNU Preliminary Budget
- 9/11: Customer Services
- 9/25: TPU, Power, Water, Rail

TPU Budget Approval
- 10/8: CC/PUB Joint Study Session
- 10/9: PUB 1st Reading
- 10/23: PUB 2nd Reading

City Budget Adoption
- 11/12: CC 1st Reading
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CXEA: Customer Services

Services Provided

- Business Enablement
  - Training
  - Analytics
  - Projects
  - Financial and administrative support
- Business Office
  - Call centers
  - Lobby
- Customer Solutions
  - Utility bill assistance programs
- Field Services Operations
  - Field investigations
  - Billing
  - Mail Services

How are costs shared?

- Utility service contracts
- Invoices created
- Mail stops
- Time study of activities performed

2023-2024 Biennium

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<td>FTE</td>
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- Water 13.6M
- Envs 16.2M
- Rail 0.1M
- Other 1.2M
- Power 29.0M

27% 22%

CXEA: Customer Services

Recent Major Accomplishments

• Successfully applied additional funding to clear customer arrearages
• Over 60% of goal achieved for customer assistance enrollees
• Implementation of customer call back feature
• Streamlined processes between Tacoma Public Utilities and Environmental Services call teams

Planned Initiatives

• Pilot and implement AI Quality Assurance tool
• Plan and implement Customer Relations Management (CRM), SAP Now!
• Develop new strategies and processes to retain and enroll customers into assistance programs

Challenges & Opportunities

• Recruitment and retention
• Leadership change management, new division manager
• Systems change management, CRM/SAP Now!
• Implementing new call center KPIs
CXEA: External Affairs

Services Provided

• Community & Government Affairs
  • Government relations at the tribal, federal, state, and local levels
  • Community relations and sponsorships
  • Coordinates educational outreach and facilities tours
  • Manages Community Connection and other social responsibility programs

• Communications
  • Relationship and outreach to residential, business, and hydro communities
  • Communications strategy, marketing, branding, and reputation management
  • Media services and events
  • Coordination with City of Tacoma communications initiatives

• Market Strategy & Analysis
  • Customer and market research and analysis
  • Customer experience strategy
  • Economic development initiatives, projects, coordination, and representation
  • New customer program and service development
  • Key industrial account management, strategy, and issue resolution
  • Small to medium sized business customer strategy and outreach

How are costs shared?

• Count of board motions and resolutions
• Budgeted FTE count assigned to each division
• Anticipated workplan for upcoming biennium
Recent Major Accomplishments

- Successfully advocated for funding to aid in clearing COVID arrearages
- Funding at State and Federal levels (e.g., Battery-electric locomotives, $500M for Howard Hanson Dam)
- Community and policy maker outreach regarding WestRock closure
- Successful planning and execution of employee services awards, TPU Connects and All Staff meeting
- Over 27 employee-led volunteer and community events in 2023
- Increase in transitions to paperless billing

Planned Initiatives

- Completion of training modules for Customer Experience
- Journey map programs and tools to enhance the customer experience
- Dedicated outreach to hydro project communities
- Support implementation of SAP Now!
- Add capacity to Community and Government Relations team for specific focus on federal relations
CXEA: External Affairs

Challenges & Opportunities

- Addressing the supply chain issues at the federal level
- Partnering with governments and communities near hydro facilities
- Retaining institutional knowledge and expertise
- Creating bandwidth to seek and partner on large governmental grants
- Marketing assistance programs to reach a wider audience
Management Services Office

Services Provided

- Budget development and monitoring
- Performance metrics
- Business unit goals
- Emergency management
- Records management
- Risk and claims

How are costs shared?

- O&M expense and budgeted FTE assigned to each TPU division
Recent Major Accomplishments

- TPU’s five-year Emergency Management strategic plan developed
- Deputy Director on board in 2023 Q2
- Performance Metrics review and refresh in 2023
- Consolidated shredding and records storage contracts
- Decrease in AMI related Water claims

Planned Initiatives

- Hazard Mitigation Plan update with Pierce County
- Support for city’s SAP Now! project
- Lead implementation of director’s *Charting a Clear Direction* strategic plan
- Lead effort to establish or refresh service level agreements for shared services

Challenges & Opportunities

- Increasing liability and property insurance costs
- Pending retirements of key personnel
Management Services Office: Public Disclosure (a Gen Govt function)

General

Services Provided

• Oversee the City’s compliance with the Public Records Act and provide public records requests services to all city departments and requesters.

How are costs shared?

• Based on budgeted FTE assigned to each city department

Police

Services Provided

• Video redaction team supports public records request specific to police body worn and dashboard cameras.

How are costs shared?

• Team is allocated 100% to Tacoma Police Department

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Management Services Office: Public Disclosure (a Gen Govt function)

Recent Major Accomplishments

• Systems analyst has increased analytics and metrics tracking
• SharePoint site refresh

Planned Initiatives

• Updating policies and procedures (last reviewed in 2007)
• Researching recent law cases and legislative updates

Challenges & Opportunities

• Resources to address growing number of requests
• Use of technology to manage requests
Tacoma Power Facilities

Services Provided

- TPU Admin Complex operational workspace
- Facility Maintenance
- Grounds Maintenance
- Physical Security
- Craft shop including carpentry, painting, welding and machining

How are costs shared?

- Rent for non-Power tenants of the TPU Admin Complex is allocated based on assigned square footage
- Direct charges for service specific requests
  - Direct charges to customers is for work primarily outside of the TPU Campus

Total 2023-2024 Budget $23.2M, 63.25 Budgeted FTE
 Tacama Power Facilities

Recent Major Accomplishments

• Expansion of security services
• Renovation of the Admin Building South ground floor in support of City Safety and a new Water Control Center
• A pilot area for modernized furnishings and office amenities
• Fabrication of parts for Water and Rail resulting in significant savings and cost avoidance

Planned Initiatives

• Space renovations for Retirement and Customer Services Mail Services
• Master space planning for the TPU Admin Complex
• Replacement of Atrium Glass and Main Lobby entry at the Admin Building North
• Development of Asset Investment Program

Challenges & Opportunities

• The need to modernize the workplace without an impact to customer rates requires a slow and measured approach via planned upgrades, additions, and replacements.
Services Provided

- Specification and acquisition of equipment
- Disposal of surplus equipment
- Full-service maintenance
- Administration of policies, warranties, fuel contract and cards, bridge tolls, permits, licensing, inspections, and state contracts.

How are costs shared?

- Hourly shop rates based on services received
- Administrative rate by asset counts
- Overhead for parts, fuel and vendor services

Total 2023-2024 Budget $11.8M, 32 Budgeted FTEs
Fleet Services

Recent Major Accomplishments

• Fleet Advisory Committee
• Created Equipment Utilization dashboard to inform business decisions
• Expansion of renewable diesel usage
• Repurposed underutilized equipment
• Increasing TPU’s hybrid and electric inventory, reducing fuel and maintenance costs
• Charging infrastructure expansion

Planned Initiatives

• Enhance equipment dashboard to include idle reduction metrics
• Create life cycle dashboard
• Continue electric and hybrid inventory increase

Challenges & Opportunities

• Supply chain disruption in the industry
• Aging equipment and increased maintenance costs
  • Pursuing alternative purchasing opportunities to meet business needs and mitigate supply chain issues
Utility Technology Services

Services Provided

- Service Desk & Desktop Support
- Cybersecurity
- Data Integration & Engineering
- Technology Project and Program Management
- Application Integration & Support
- Land Mobile Radio
- Telephony

How are costs shared?

Costs are shared proportionately based proxies of consumption for each function/service.

Examples of allocations:

- Desktop Support is allocated based on PC counts
- Cybersecurity is allocated based on protected endpoints (assets connected to the network)

Total 2023-2024 Budget $61.4M, 118 Budgeted FTEs
Utility Technology Services

Cost of Work Performed*

*Percentages based on 2023-2024 UTS Budget of $61.4M
Utility Technology Services

Recent Major Accomplishments

• Customer experience enhanced in MyAccount with completion of Customer Engagement Portal.
• Replacement and integration of Power VHF Radio Systems.
• Enabled a more proactive Cybersecurity threat detection capability with expansion of Logrythm.
• Advanced Meter Program installations at 75% complete.
• Automated Distribution Management Systems (ADMS) Feasibility Assessment complete.
• Improved data maturity with governance, pipeline resiliency, and service level agreements.

Planned Initiatives

• Advance technology/grid modernization efforts including:
  • Critical utility communication technologies.
  • Automated Distribution Management Systems (ADMS).
  • Geospatial Roadmap advancement.
• Continue customer experience focused upgrades/enhancements to MyAccount.
• Harden the Advanced Meter Infrastructure Network to ensure appropriate coverage.
• Support the advancement of Tacoma Water’s Smart Water Roadmap.
• Partner and advise the SAP Now! Program with S/4 & Service Cloud implementation and future phase efforts.

Challenges & Opportunities

• Increasing reliance on technology coupled with rapid technology evolution presents challenges associated with resource constraints.
  • Focused execution of strategic roadmaps of prioritized objectives.
Next Steps

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UPDATE