

Tacoma Water Financial Outlook

3rd Quarter 2024

November 13, 2024



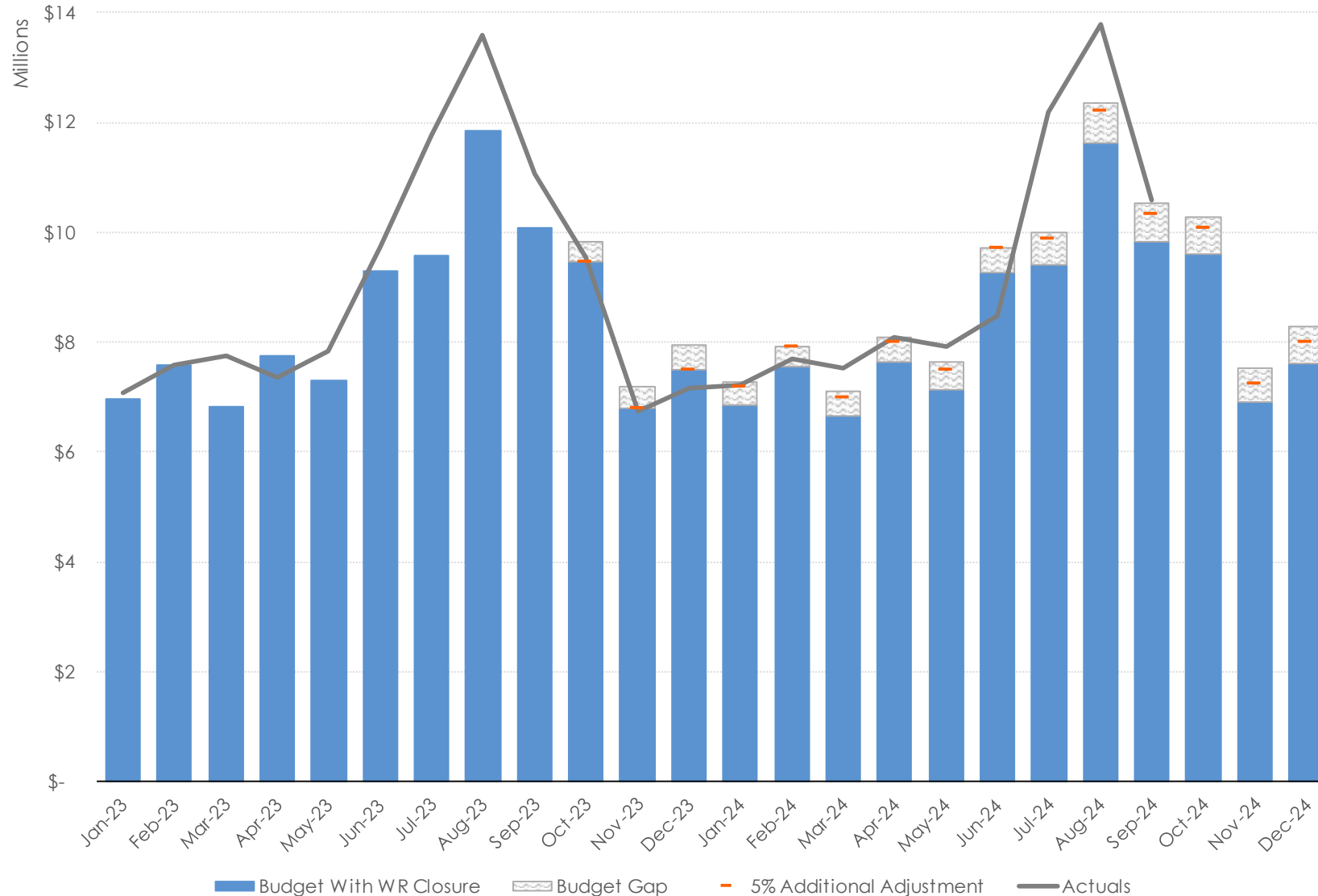
2023/2024 Biennium Summary of Financial Outlook

This report incorporates updated plan in 2024 to account for revenue changes related to WestRock mill closure, actual revenues and expenditures through September 2024, and projections for the remainder of the biennium

- **Forecast for total revenue is \$13.8M or 6% over updated plan**
 - Q3 strengths: Warm summer, higher than forecasted water sales primarily for irrigation & private fire classes, investment earnings on cash balances accounts for over \$4M that may change with the year-end mark to market adjustment
 - Q4 outlook: Monthly billing shifts revenue timing, previously Q4 included more summer consumption and water sales are expected to be lower than plan for October
- **Forecast for operating expenditures is \$4.6M or 2% under budget**
 - Q3 challenges: Ongoing supply chain disruptions, increased costs of electricity, insurance, and other necessities
 - Q3 strengths: Organizational awareness and support for cost efficiencies, savings
 - Q4 outlook: Continued focus on savings where possible; reflected in 25/26 budget planning

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, was projected to be \$7.9 M. The additional 5% rate increase for 2024 was expected to recover nearly \$5 M, leaving about \$2.9 M coming from reserves.



At the end of 2023, billed Water Sales were **\$5 M higher** than budget

- Dry, warm days in summer of 2023
- Strong sales in irrigation class: highly dependent on weather, number of accounts higher than forecast

As of 9/30/2024, billed Water Sales were **\$7.2 M higher** than the **budget** approved in 2022

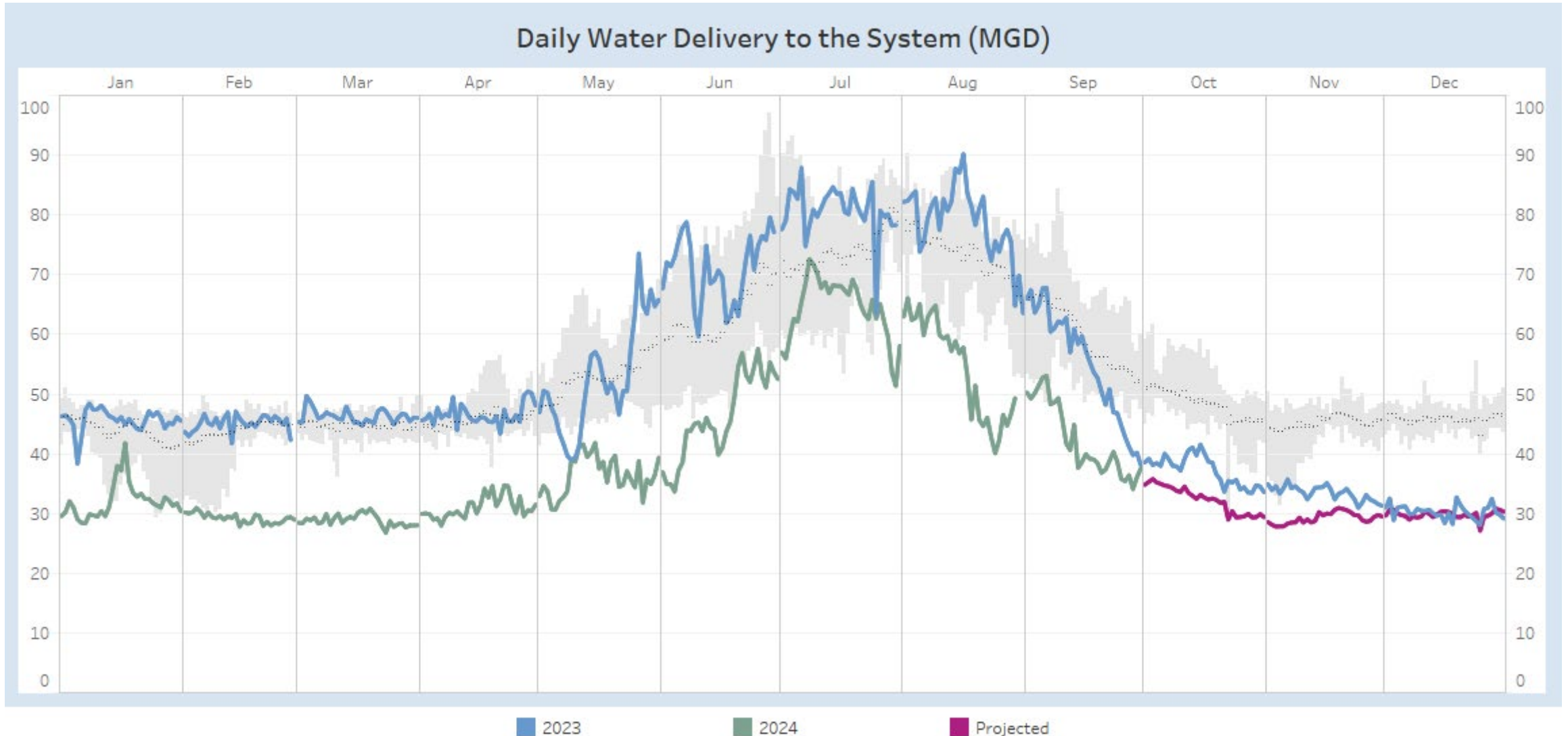
- Biennium to date revenue from WestRock was **\$5.5 M lower** than budgeted
- Other Water Sales were **\$12.7 M higher** than budget

Comparing to **updated plan** post closure of the pulp mill, total Water Sales for the 2023/2024 biennium expected to be **\$8.8 M or 4% higher**

- WestRock is projected to be \$900,000 lower than expected
- Remaining difference is primarily irrigation and private fire classes

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. Updated Plan

All \$'s in 1000's	2023	2023	2023	2024	2024	2024	2024	Total	Biennium	Biennium	Biennium	Biennium	
	Budget	Actuals	Difference	Budget	Plan	Forecast	Difference	Biennium Budget	Plan	Forecast	Difference	Difference %	
				<i>Post WestRock 2024 Rate Adjustment</i>									
Revenue													
Residential Water Sales	71,451	72,149	698	74,621	78,352	79,092	740	146,072	149,803	151,241	1,438	1%	
Pulp Mill Water Sales	7,607	7,069	(538)	7,912	1,365	1,003	(362)	15,519	8,972	8,072	(900)	-10%	
Wholesale Water Sales	2,812	2,522	(290)	2,937	3,084	2,904	(180)	5,749	5,896	5,426	(470)	-8%	
Other Water Sales	20,327	25,492	5,165	21,229	22,290	25,889	3,599	41,556	42,617	51,381	8,764	21%	
Other Operating Revenue	3,652	3,613	(39)	3,711	3,711	3,749	38	7,363	7,363	7,362	(1)	0%	
Total Operating Revenue	105,849	110,845	4,996	110,410	108,802	112,638	3,836	216,259	214,651	223,483	8,832 (1)	4%	
Non-Operating Revenue (includes BAB's subsidy)	3,737	6,340	2,603	3,387	3,387	5,786	2,399	7,124	7,124	12,126	5,002 (2)	70%	
Total Revenue	109,586	117,185	7,599	113,797	112,189	118,424	6,235	223,383	221,775	235,609	13,834	6%	
Expenditures													
Personnel Costs	35,596	34,068	(1,528)	37,547	37,547	37,864	317	73,143	73,143	71,932	(1,211) (3)	-2%	
Supplies, Other Services & Charges	36,678	33,725	(2,953)	38,215	38,215	34,953	(3,262)	74,893	74,893	68,678	(6,215) (4)	-8%	
Debt Service	23,928	23,928	-	22,171	22,171	21,901	(270)	46,099	46,099	45,829	(270) (5)	-1%	
Taxes	14,961	16,721	1,760	15,520	15,311	16,617	1,306	30,481	30,272	33,338	3,066 (6)	10%	
Total Expenditures	111,163	108,442	(2,721)	113,453	113,244	111,335	(1,909)	224,616	224,407	219,777	(4,630)	-2%	
Total Revenue less Total Expenditures	(1,577)	8,743	10,320	344	(1,055)	7,089	8,144	(1,233)	(2,632)	15,832	18,464		
Reconciling Cash Items		518				(242)				276			
Appropriation from Current Fund	(1,577)	9,261	10,838	344	(1,055)	6,847	7,902	(1,233)	(2,632)	16,108	18,740		
Capital Outlay Financing Detail													
Funded from Operating Reserve	12,692	9,685	(3,007)	12,692	12,692	6,959	(5,733)	25,384	25,384	16,644	(8,740)	-34%	
Funded from Capital Reserves	23,684	26,838	3,154	23,684	23,684	17,966	(5,718)	47,368	47,368	44,804	(2,564)	-5%	
Funded from ARPA Grant	-	1,890	1,890	-	-	-	-	-	-	1,890	1,890	0%	
Total Capital Outlay	36,376	38,413	2,037	36,376	36,376	24,925	(11,451)	72,752	72,752	63,338	(9,414) (7)		
Debt Service Coverage Ratio		3.32x				2.54x				2.54x			
EOY Current Fund (Jan 2023 Beg Balance \$60,380)		59,956				59,844				59,844			

2023/2024 Biennium Forecast vs. Budget

1. Total Operating Revenue

- Billed Water Sales for the third quarter of 2024 were \$3.7M higher than updated plan, primarily in irrigation and private fire classes
- Strong water sales in 2023, primarily due to dry weather, resulted in revenue \$5M higher than budgeted for the year
- Projections for 2024 are for revenue higher than updated plan by \$3.8M, resulting in net \$8.8M over budget in water sales for the biennium

2. Non-Operating Revenue

- Interest earned on cash balances is \$4.1M higher than budget, biennium to date, fair market value adjustments are hard to predict, and we could see reductions at year-end

3. Personnel Expense

- Actual personnel expense is under budget by about \$1.2M with 34 vacancies at the end of the third quarter

4. Supplies, Other Services & Charges

- Assessments are \$3.3M under budget, including \$1.6M Customer Services, \$1.0 UTS
- Professional Services are \$1.3M under budget, due to delays and deferrals of projects
- RWSS debt service was reduced \$446,000 with the Refunding
- Bad debt expense is \$940,000 under budget due to the reduction in doubtful accounts
- These reductions are partially offset by increases in several areas including electricity, insurance, operating supplies, audit expense, and equipment rental

5. Debt Service

- Refunding of 2013 bonds resulted in a \$270,000 savings

6. Taxes

- Higher revenues contribute to \$3.1M additional tax collection

Capital Budget Spending Summary

Tacoma Water Capital Outlay Budget Approved	\$76,309,722
Add Capital Carryforward Factor Reduction	7,856,944
Add 2 nd Diversion RWSS – Tacoma	1,482,418
Add 2 nd Diversion RWSS – Other Partners	2,075,386
Total Capital Projects Planned for 2023/2024	\$87,724,470
Total Capital Spent to Date (September 2024)	\$56,372,917
Less 2 nd Diversion RWSS – Other Partners	1,457,755
Water Capital Budget Spent (74%)	\$54,915,162
Capital Projects Deferred (GPL Wells, 5A, 3A/13A)	\$8,941,807
Delayed Active Projects (Carryforward)	12,169,119
Capital Grant Received (Tacoma Mall MRP)	1,890,000
Spending Projections (October – December 2024)	9,021,782
Capital Budget Performance Projection (under)	(\$10,915,023)

7. Total Capital Outlay

- The 2023/24 capital plan is funded entirely from operating and capital reserves and includes a carryforward factor reduction of \$7.9M to account for projects that span biennia.
- Regional Water Supply System (RWSS) Projects are unique because they are funded by the RWSS Participants through a shared allocation. Although these expenditures are considered O&M Contract Resource Obligations (CRO), they can be paid with capital funding sources such as revenue bonds.
- Due to the loss of demand from the pulp mill, several projects have been paused and deferred.
- Supply chain issues continue, and many of our fleet replacement orders have been delayed, causing about \$12.2 million carryforward to 25/26.
- Capital grant for \$1.9M provided additional funding.
- We have spent about 74% of the capital budget at the end of Quarter 3 2024 and forecast to be nearly \$10.9 million under budget by the end of the biennium.

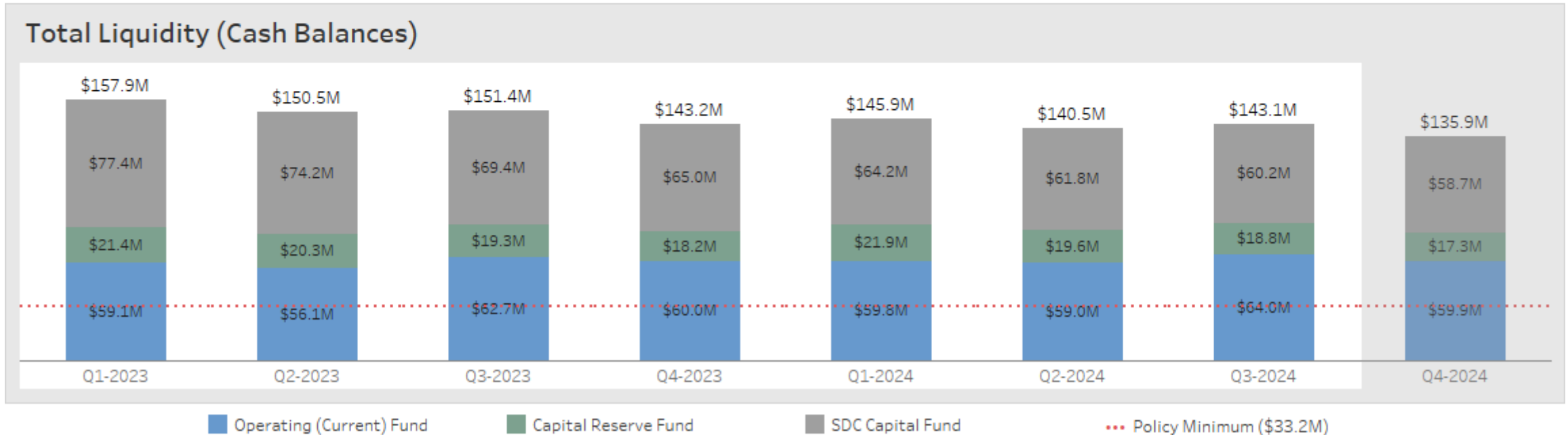
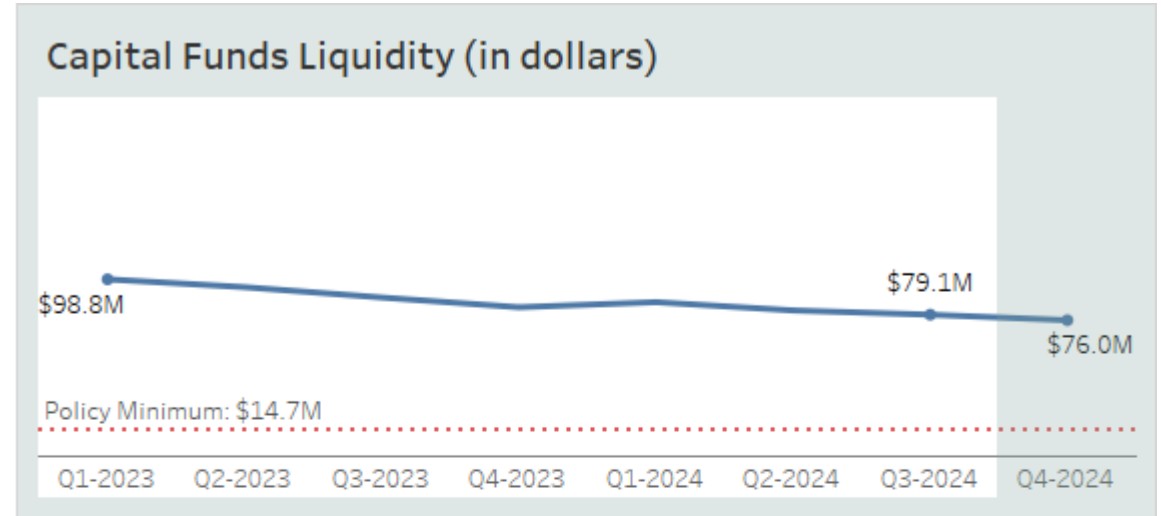
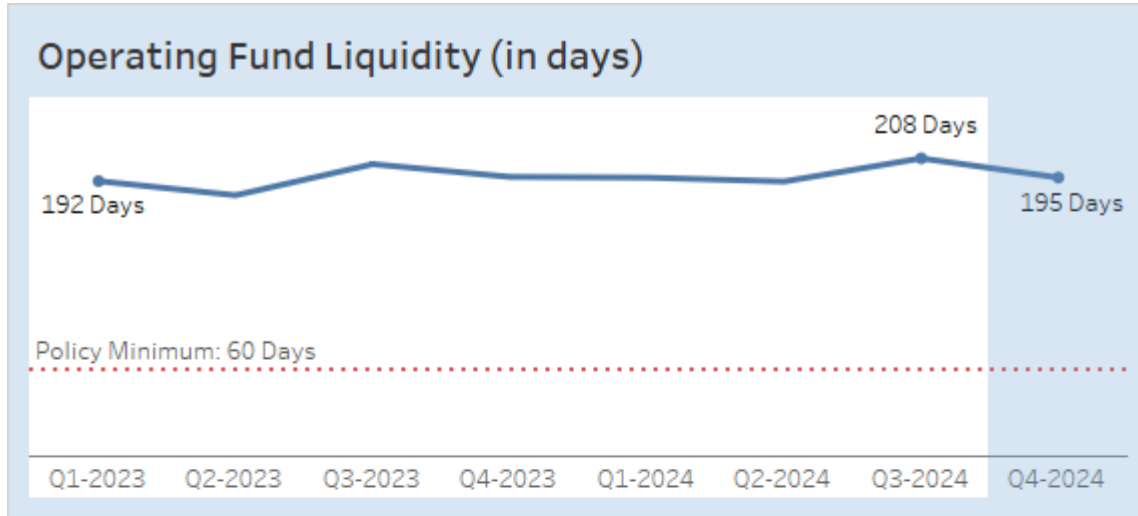
Capital Budget Spending Summary

Summary of 23/24 Biennium Capital Spending (\$ and % of Total Spent)

Project or Program	Status	Capital \$ Spent	% of Total Spent
Automated Meter Infrastructure (AMI)	<i>Substantially Complete</i>	\$13,807,640	24.5%
Pinnacle Ridge Tank and Pump Station	<i>Construction</i>	11,637,627	20.6%
Main Replacement Program (+ Curran Rd)	<i>Program with Various Projects</i>	9,378,878	16.6%
Distribution Renewal and Replacement	<i>Ongoing R&R</i>	7,410,591	13.1%
Fleet Purchases and Replacement	<i>Purchases Delayed</i>	* 4,412,563	7.8%
Muckleshoot Indian Tribe Agreement	<i>Contract</i>	1,750,000	3.1%
Additional Water Storage Project	<i>Planning</i>	* 1,305,718	2.3%
Pipeline 1 Pressurization Program	<i>Pre-design</i>	* 982,816	1.7%
Service Division Projects (primarily CEP)	<i>Substantially Complete</i>	897,474	1.6%
Smart Water (Pressure Monitoring, DMA)	<i>Planning</i>	* 671,331	1.2%
Water Operations Warehouse	<i>Pre-design</i>	* 518,420	0.9%
Other Capital Projects	<i>Various</i>	3,599,859	6.4%
Total		\$56,372,917	

*Significant expenditures planned for upcoming biennia

2023/2024 Projected Liquidity & Cash Balance as of 09/30/24



Appendix

2023/2024 Biennium Forecast vs. Budget

All \$'s in 1000's	2023	2023	2023	2024	2024	2024	Biennium	Biennium	Biennium	Biennium
	Budget	Actuals	Difference	Budget	Forecast	Difference	Budget	Forecast	Difference	Difference %
Revenue										
Residential Water Sales	71,451	72,149	698	74,621	78,166	3,545	146,072	150,315	4,243	3%
Pulp Mill Water Sales	7,607	7,069	(538)	7,912	2,971	(4,941)	15,519	10,040	(5,479)	-35%
Wholesale Water Sales	2,812	2,522	(290)	2,937	2,870	(67)	5,749	5,392	(357)	-6%
Other Water Sales	20,327	25,492	5,165	21,229	24,882	3,653	41,556	50,374	8,818	21%
Other Operating Revenue	3,652	3,613	(39)	3,711	3,749	38	7,363	7,362	(1)	0%
Total Operating Revenue	105,849	110,845	4,996	110,410	112,638	2,228	216,259	223,483	7,224	3%
Non-Operating Revenue (includes BAB's subsidy)	3,737	6,340	2,603	3,387	5,786	2,399	7,124	12,126	5,002	70%
Total Revenue	109,586	117,185	7,599	113,797	118,424	4,627	223,383	235,609	12,226	5%
Expenditures										
Personnel Costs	35,596	34,068	(1,528)	37,547	37,864	317	73,143	71,932	(1,211)	-2%
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Debt Service	23,928	23,928	-	22,171	21,901	(270)	46,099	45,829	(270)	-1%
Taxes	14,961	16,721	1,760	15,520	16,617	1,097	30,481	33,338	2,857	9%
Total Expenditures	111,163	108,442	(2,721)	113,453	111,335	(2,118)	224,616	219,777	(4,839)	-2%
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Tacoma Power Financial Outlook

3rd Quarter 2024

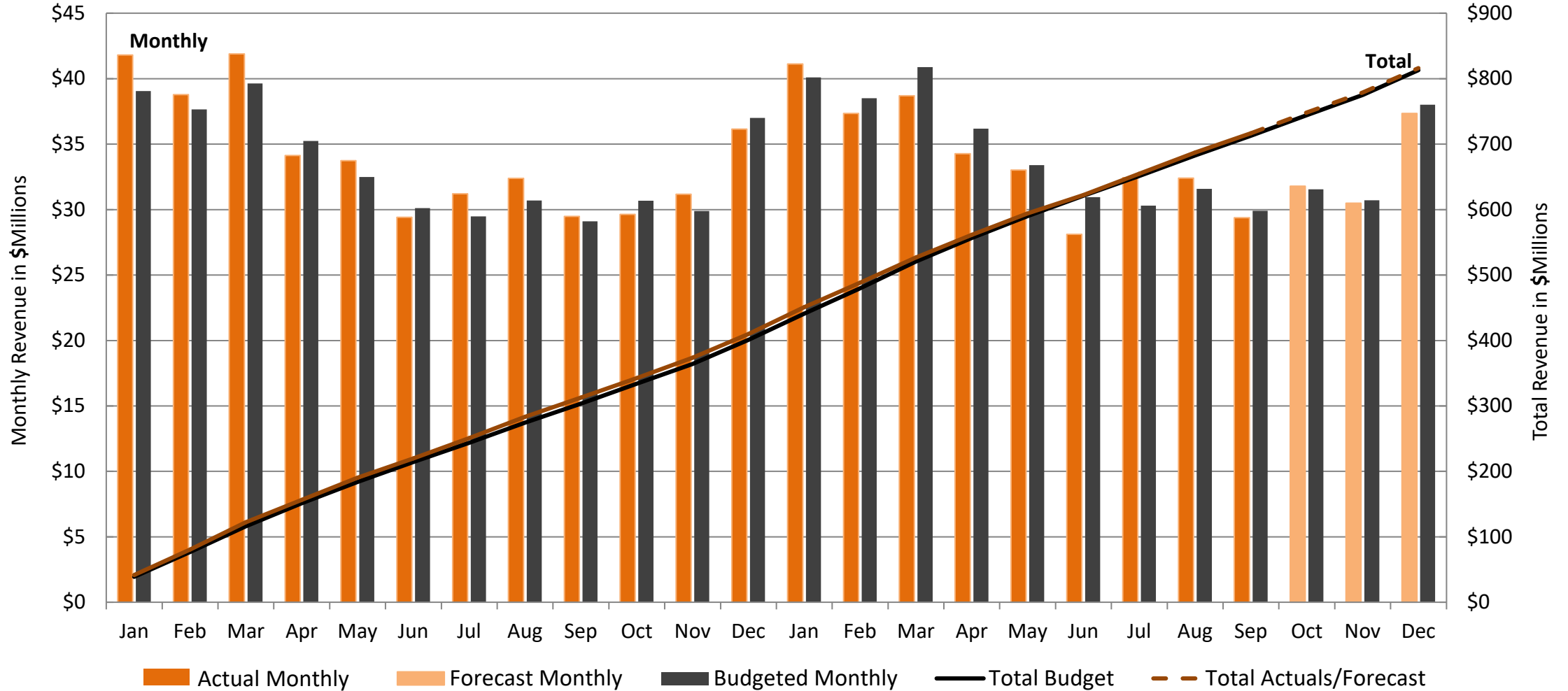
November 13, 2024

Forecasting Practices

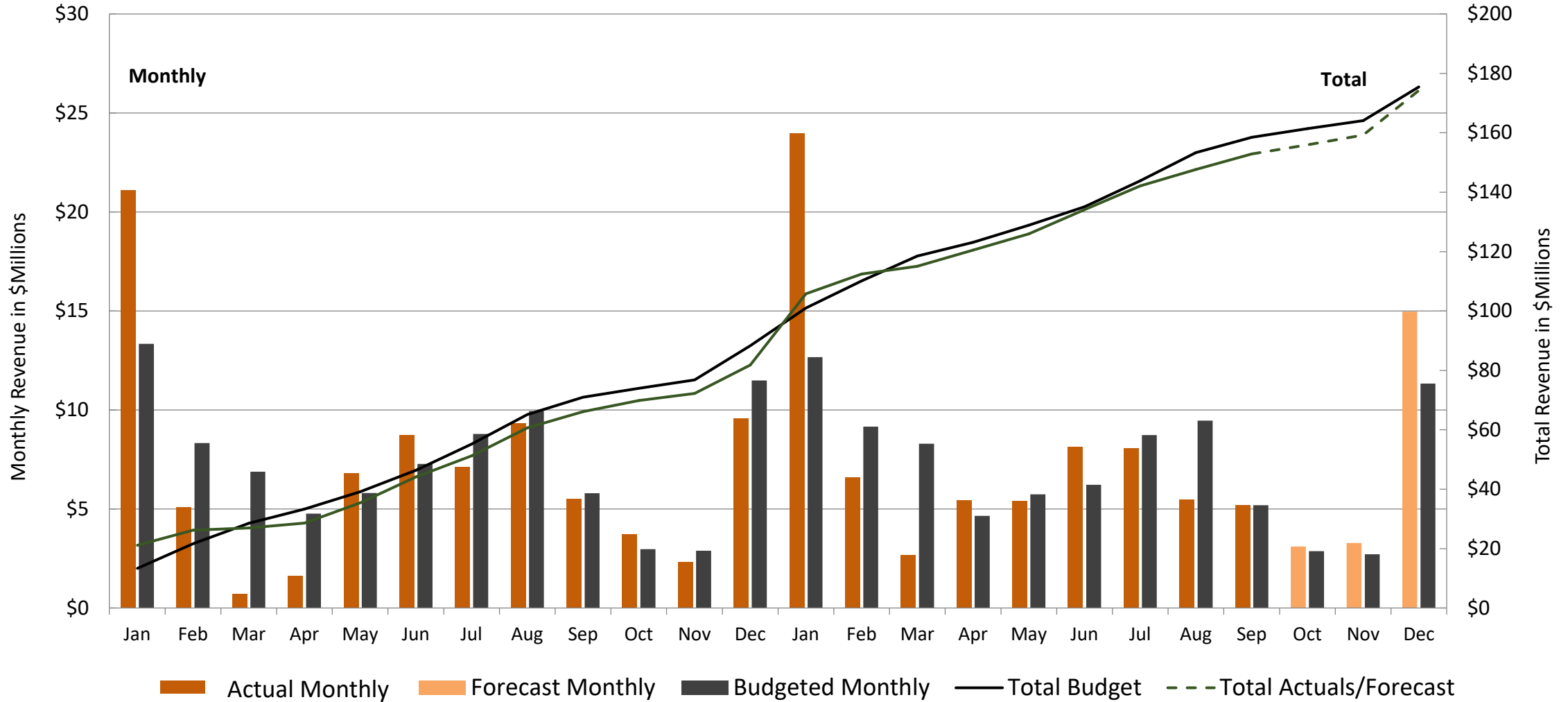


- September 2024 Actuals
 - Adverse water conditions
 - 2024 load forecast
 - Budgeted Personnel and O&M expenditures
 - Project estimates of capital spending
- **Forecast for total revenue is \$23.8 million more than budget**
 - Q3 Strengths: Wholesale market prices through Q3 2024 were 183% higher than the budgeted prices.
 - Q3 Challenges: Inflows to our hydro projects were near adverse through September 2024.
 - Q4 2024 Outlook: Forecasts reflect higher wholesale sales vs. budget in Q4 due to above-budget wholesale market prices.
 - **Forecast for total expenditures is \$37.8 million less than budget**
 - Q3 Strengths: Most expenses are currently under budget through Q3 2024.
 - Q4 2024 Outlook: Forecasted increase in revenue funded capital due temporary funding of all 2024 project expenses from revenues.

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: \$23.8 million (2.2%)

1. Retail Revenues: forecast to be \$3.1 million more than budget (0.4%).
 - Retail revenues were \$3.7 million more than budget through the third quarter of 2024 mostly due to colder than normal weather in 2023 which resulted in higher than forecasted heating loads and electricity sales.
 - Future retail revenues are expected to be below budget due to the loss of WestRock.
2. Gross Wholesale Revenues: forecast is \$1.2 million less than budget (-0.7%).
 - Gross biennium wholesale revenues through third quarter were \$5.7 million lower than budget.
 - Water inflows to our hydro projects were near adverse through September 2024.
 - Forecasts reflect higher wholesale sales vs. budget for the biennium due to above-budget wholesale market prices.
 - Wholesale power prices through Q3 2024 were approximately 183% higher than budgeted.
3. Other Electric Revenues: forecast is \$3.6 million more than budget (6.9%)
 - Other electric revenues were more than budget due to higher than planned transmission sales, energy efficiency incentives from BPA, and miscellaneous revenues.
4. Other Revenues: forecast is \$18.4 million more than budget (77.3%)
 - Other revenues were more than budget due to higher than planned interest revenues.

2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

Forecast for Expenditures Less Than Budget: \$37.8 million (-3.5%)

5. Purchased power expenses: forecast is \$46.1 million less than budget (-13.1%)
 - Purchased power expenses are \$48.7 million below budget through Q3 2024.
 - BPA purchases are \$27.5 million below budget due to a reduction in load from the loss of WestRock and a rate reduction credit we are receiving this year.
 - Actual wholesale purchases were below budget through Q3 2024.
 - Future wholesale purchase forecasts are higher than budget due to above-budget wholesale market prices.
6. Personnel expenses: forecast is \$16.6 million less than budget (-6.3%)
 - Actual personnel expenses were below budget through Q3 2024 by \$16.7 million due to vacancies and delayed hiring.
 - Future personnel expense forecasts reflect approved budget.
7. Supplies, Other Services, & Charges: forecast is \$29.4 million less than budget (-14.6%)
 - Biennium spending through Q3 2024 was below budget by \$29.5 million, primarily in external contracts and professional services, related to:
 - Timing differences between planned spending and when actual costs occurred
 - Projects that began later than planned.
 - Project costs that have been moved to capital.

2023/2024 Biennium Forecast vs. Budget

Notes listed on this slide correlate to the subsequent chart.

Forecast for Expenditures, Less Than Budget: \$37.8 million (cont.)

8. Revenue funded capital expenses: forecast to be \$48.5 million more than budget (58.7%)
 - Actual biennium revenue-funded capital spending is \$16.0 million more than budget through Q3 2024, with temporary funding of all 2024 project expenses from revenues.
 - Without reimbursement from bonds this year, revenue-funded capital is anticipated to come in above budget.
9. Taxes: forecast is \$6.9 million more than budget (5.6%)
 - Gross Earnings Taxes through Q3 2024 were higher than budget, primarily due to higher than budgeted revenues.
10. Overall, we are forecasting total expenditures to be less than budget.

Forecast for Net Revenues More Than Budget: \$61.7 million

10. Net Revenue forecast to be \$61.7 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

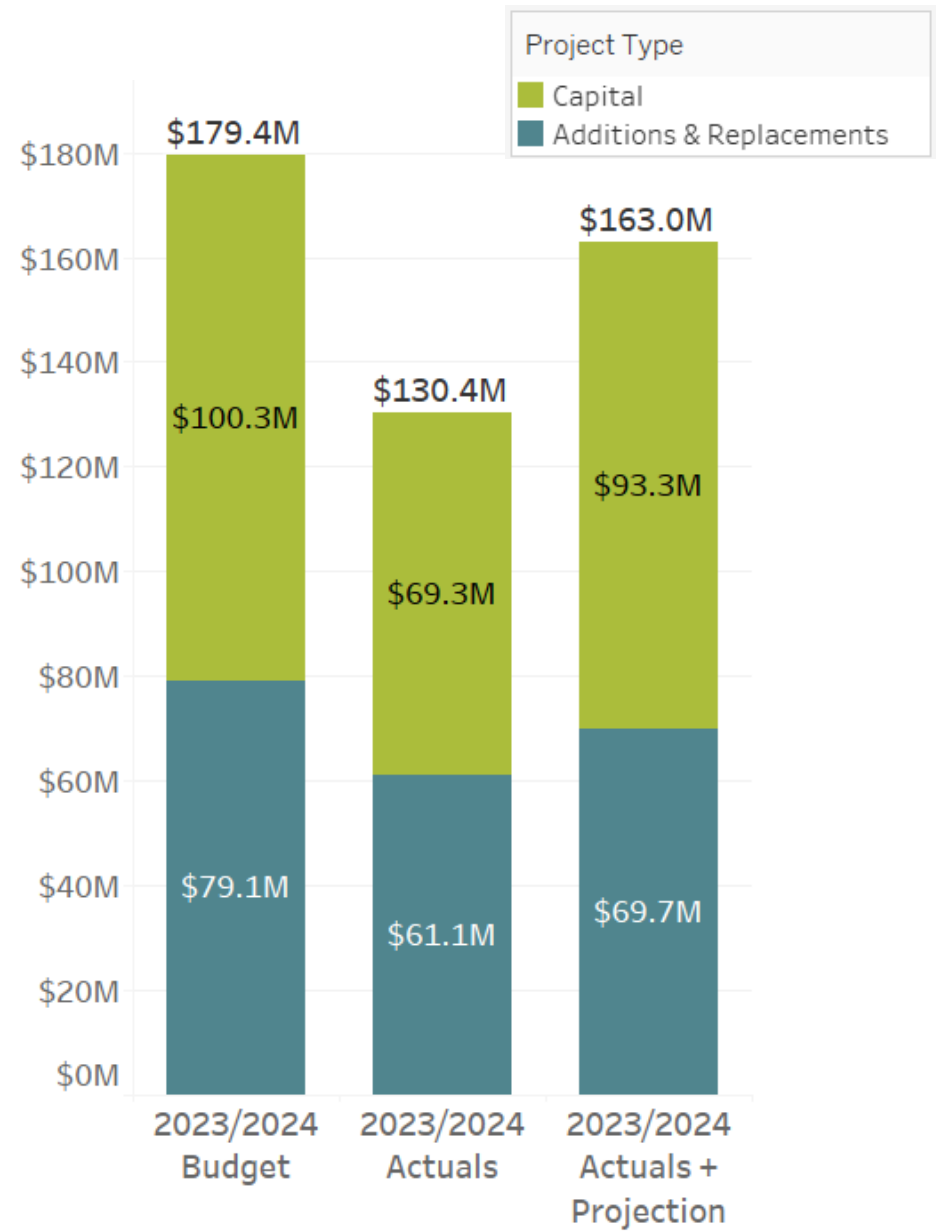
as of 9/30/2024

All \$'s in 1000's

	2023 Budget	2023 Actual	2023 Difference	2024 Budget	2024 Actual / Forecast	2024 Difference	Total Biennium Budget	Total Biennium Forecast	Biennium Difference	Note	Biennium Diff. (%)
Revenue											
Retail Sales	\$401,034	\$409,814	\$8,779	\$412,109	\$406,419	(\$5,690)	\$813,143	\$816,233	\$3,090	(1)	0.4%
Bulk Power (wholesale) Sales	\$88,337	\$81,853	(\$6,485)	\$87,109	\$92,361	\$5,253	\$175,446	\$174,214	(\$1,232)	(2)	-0.7%
Other Electric Revenue	\$24,047	\$28,916	\$4,869	\$28,428	\$27,154	(\$1,275)	\$52,475	\$56,070	\$3,595	(3)	6.9%
Total Operating Revenue	\$513,418	\$520,582	\$7,164	\$527,646	\$525,934	(\$1,711)	\$1,041,064	\$1,046,517	\$5,453		0.5%
Other Income	\$11,494	\$20,238	\$8,744	\$12,295	\$21,935	\$9,640	\$23,788	\$42,172	\$18,384	(4)	77.3%
Total Revenue	\$524,912	\$540,820	\$15,908	\$539,940	\$547,869	\$7,929	\$1,064,852	\$1,088,689	\$23,837		2.2%
Expenses											
Purchased Power & RECs	\$175,354	\$151,575	(\$23,779)	\$176,643	\$154,363	(\$22,281)	\$351,997	\$305,938	(\$46,060)	(5)	-13.1%
Personnel Costs	\$126,681	\$117,940	(\$8,742)	\$136,522	\$128,667	(\$7,856)	\$263,204	\$246,606	(\$16,598)	(6)	-6.3%
Supplies, Other Services & Charges	\$103,339	\$81,660	(\$21,679)	\$98,555	\$90,800	(\$7,755)	\$201,894	\$172,461	(\$29,434)	(7)	-14.6%
Revenue Funded Capital Outlay	\$41,319	\$35,681	(\$5,638)	\$41,319	\$95,458	\$54,139	\$82,637	\$131,138	\$48,501	(8)	58.7%
Debt Service	\$32,137	\$32,920	\$783	\$35,922	\$33,991	(\$1,931)	\$68,059	\$66,912	(\$1,148)		-1.7%
Taxes	\$60,797	\$63,865	\$3,068	\$62,696	\$66,533	\$3,837	\$123,493	\$130,398	\$6,905	(9)	5.6%
Total Expenses	\$539,628	\$483,641	(\$55,987)	\$551,657	\$569,812	\$18,154	\$1,091,285	\$1,053,452	(\$37,833)		-3.5%
Total Revenues less Expenses	(\$14,716)	\$57,179	\$71,895	(\$11,717)	(\$21,943)	(\$10,226)	(\$26,432)	\$35,237	\$61,669	(10)	
Capital Outlay Financing Detail											
Funded From Revenue Funds	\$41,319	\$35,681	(\$5,638)	\$41,319	\$95,458	\$54,139	\$82,637	\$131,138	\$48,501		58.7%
Funded From Bond Fund	\$48,371	\$31,816	(\$16,555)	\$48,371	\$0	(\$48,371)	\$96,742	\$31,816	(\$64,926)		-67.1%
Total Capital Outlay	\$89,690	\$67,496	(\$22,193)	\$89,690	\$95,458	\$5,768	\$179,379	\$162,954	(\$16,425)		-9.2%
Ratios	2023 Budget	2023 Actual	2023 Diff.	2024 Budget	2024 Actual / Forecast	2024 Diff.					
Debt Service Coverage Ratio	1.83	3.82	1.99	2.03	3.16	1.13					
Days Liquidity	339	412	73	322	373	50					
EOY Rate Stabilization Fund Balance	\$63,000	\$158,000	\$95,000	\$63,000	\$158,000	\$95,000					
EOY Current Fund Balance	\$239,410	\$265,261	\$25,851	\$226,213	\$248,513	\$22,300					
Total Liquidity	\$302,410	\$423,261		\$289,213	\$406,513						

2023/2024 Capital Budget

	2023/2024 Budget	2023/2024 Actuals	% Spent
Additions & Replacements	\$79.1M	\$61.7M	78%
Aging Infrastructure/Reliability Upgrades	\$33.6M	\$26.3M	78%
Facilities Replacements/Improvements	\$8.4M	\$1.2M	14%
Relicensing/License Implementation	\$9.3M	\$2.4M	26%
Other Capital	\$7.9M	\$4.8M	61%
Regulatory	\$10.0M	\$7.9M	79%
Technology	\$31.2M	\$26.2M	84%
Grand Total	\$179.4M	\$130.4M	73%

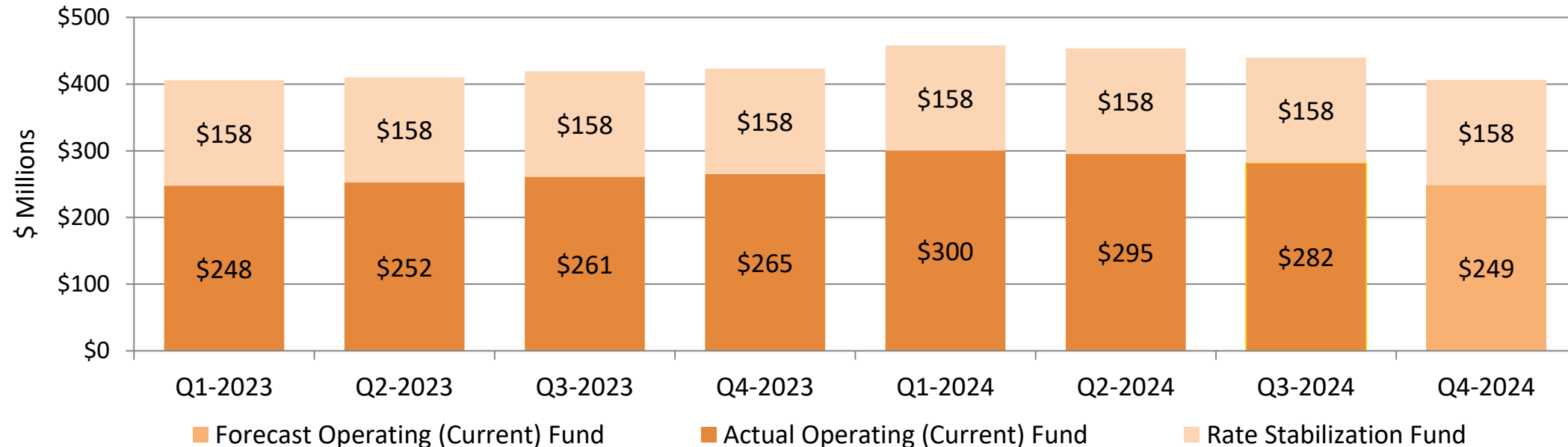
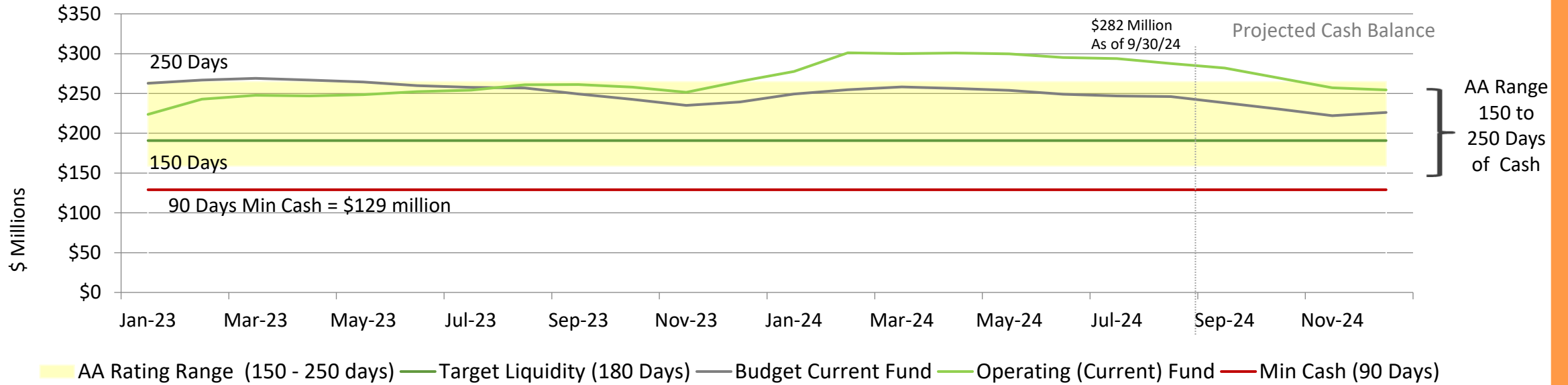


Capital Projects above \$5M

Active Projects	Current Phase	Life-to-Date* Budget	Life-to-Date Actuals
Advanced Metering Infrastructure (AMI)	Construction	\$48,418,000	\$44,996,685
Automated Distribution Mgmt System (ADMS)	Design/Procure	\$13,797,000	\$44,989
Hydro Generator Life-Extension Program	Closeout	\$13,731,000	\$12,555,934
Cushman #2 U31, U32 Rebuild	Design/Procure	\$12,168,000	\$9,996,605
TPU Admin Complex Storage & Parking Facility	Design/Procure	\$5,032,000	\$327,240
Mayfield Fish Passage Modification	Design/Procure	\$5,129,000	\$1,685,685
Completed Projects			
Cowlitz Salmon Hatchery Barrier Dam Repair	Completed	\$15,790,000	\$15,937,979
Mayfield Bank 1 Transformer Replacement	Completed	\$6,297,000	\$6,423,712

*Life-to-Date (LTD) Budget refers to all funding to-date that has been appropriated for the project, independent of the biennium. A significant portion of Tacoma Power's project portfolio is considered multi-biennium due to the long duration of the projects.

2023/2024 Projected Liquidity Balance as of 9/30/24



Financial Outlook

3rd Quarter 2024



Summary of Financial Outlook

- Incorporates actual revenues and expenditures through September 2024 with projections for the remainder of the biennium
- **Forecast for total revenues is \$9.7M or 15% above budget**
 - Q3 Challenges: Filling vacant budgeted FTE's needed for railroad service.
 - Q3 Strengths: Both intermodal and commercial volumes above budget.
 - Q4 Outlook: Railcar volumes to continue to be strong while cooling off from Q3 peaks.
- **Forecast for total expenditures is \$3.6M or 5% over budget**
 - Q3 Challenges: Filling vacant budgeted FTE's needed for railroad service.
 - Q3 Strengths: Capital projects on track with 2025/2026 expectations.
 - Q4 Outlook: Biennium-end adjustment to adjust budget spending authority.

Summary of Rail Volumes

Quarter	2023		2024		%	
	Intermodal	Commercial	Intermodal	Commercial	Intermodal	Commercial
1	41,007	15,361	39,833	15,730	-3%	2%
2	40,319	16,667	56,851	16,888	41%	1%
3	51,623	16,454	65,538	17,823	27%	8%
4						
Total	132,949	48,482	162,222	50,441	22%	4%

Quarter	2024 Budget		2024		%	
	Intermodal	Commercial	Intermodal	Commercial	Intermodal	Commercial
1	41,953	14,832	39,833	15,730	-5%	6%
2	45,202	14,965	56,851	16,888	26%	13%
3	48,541	14,907	65,538	17,823	35%	20%
4						
Total	135,697	44,704	162,222	50,441	20%	13%

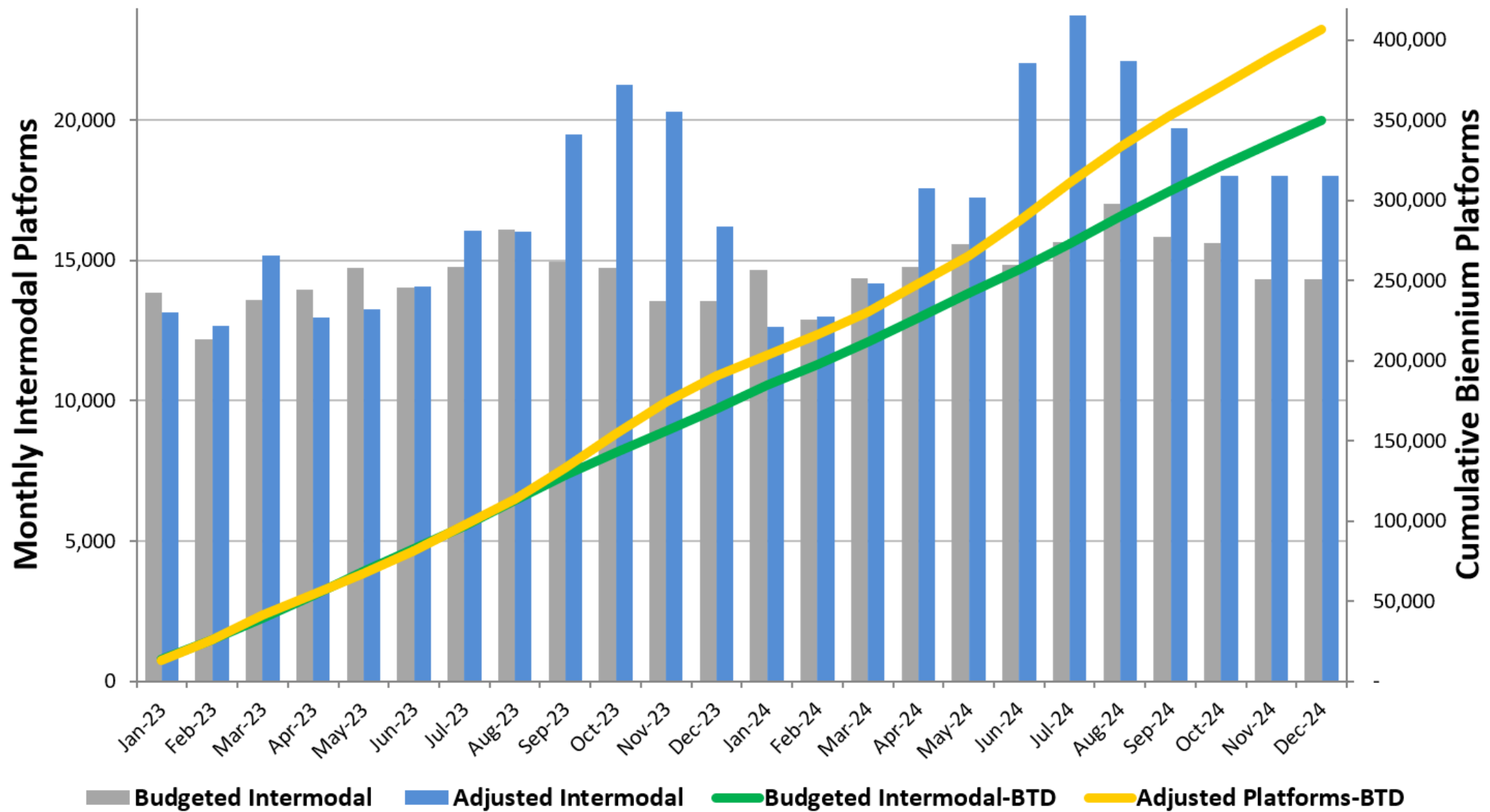
- Intermodal:

- NIM +26%
- WUT -2%
- SIM -16%
- PCT +18%

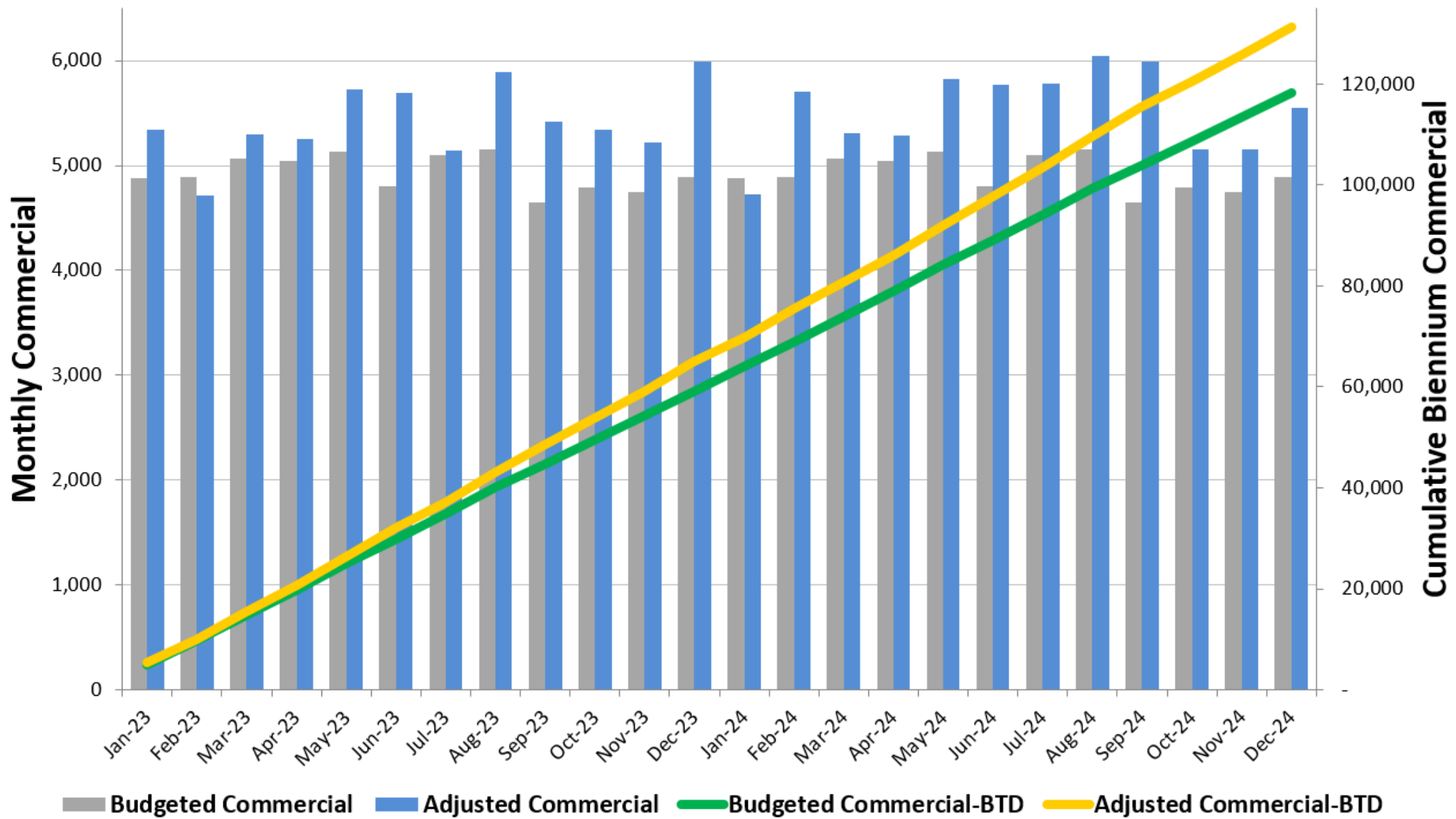
- Commercial:

- US Oil -2%
- WWS +8%
- AWC -1%
- Seaport Sound +12%

Intermodal Volumes



Commercial Volumes



2023/2024 Biennium Forecast vs. Budget

1. Railcar volumes above budget.
2. Railcar dwell above budgeted demurrage revenue.
3. Unfilled budgeted positions. New FTE's being added.
4. Savings in areas offset by extended locomotive leases, locomotive maintenance and related costs.
5. Projects shifting between 2022, 2023 and 2024 due to supply chain constraints and expectations.

2023/2024 Biennium Forecast vs. Budget

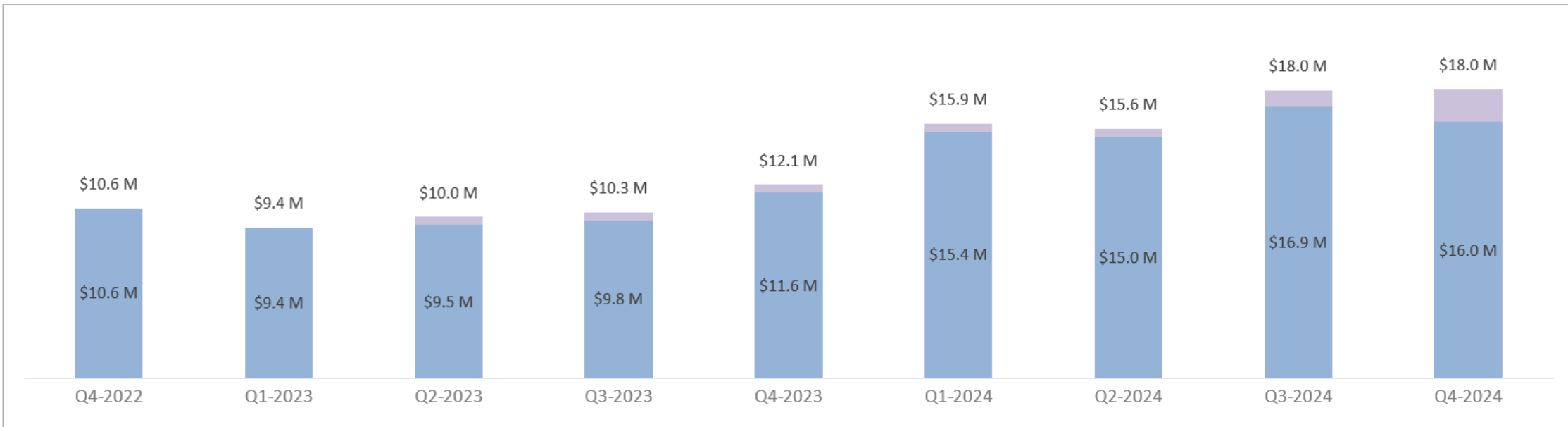
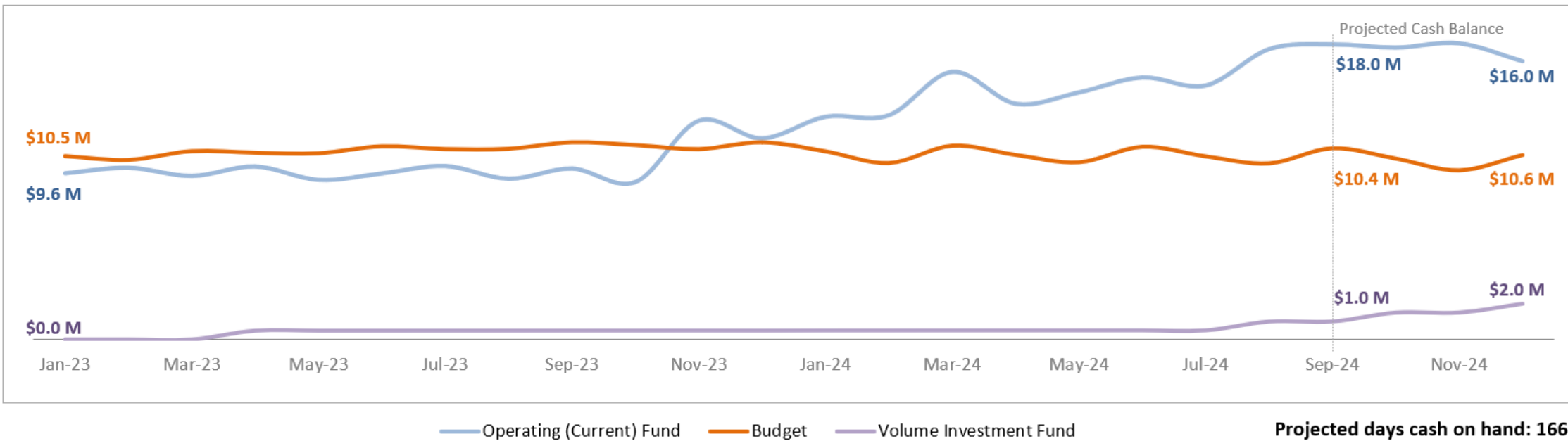
	2023 Budget	2023	2023 Difference	2024 Budget	2024 Forecast	2024 Difference	Budget Biennium	Adjusted Forecast	Biennium Difference	Biennium Diff. (%)
Revenue										
Switching Revenue	\$ 30,482	\$ 34,827	\$ 4,345	\$ 32,677	\$ 38,040	\$ 5,363	\$ 63,159	\$ 72,866	\$ 9,707	15% (1)
Demurrage Fees	1,500	2,243	743	1,500	1,724	224	3,000	3,967	967	32% (2)
Locomotive Servicing	1,227	1,695	468	1,227	2,367	1,140	2,454	4,062	1,608	66%
Other	213	490	277	213	399	185	427	889	462	108%
Total Operating Revenue	\$ 33,422	\$ 39,256	\$ 5,833	\$ 35,617	\$ 42,529	\$ 6,911	\$ 69,040	\$ 81,784	\$ 12,745	18%
Interest	118	195	77	118	380	263	235	575	340	144%
Rent & Misc Income	481	311	(170)	481	286	(195)	962	597	(365)	-38%
Total Revenue & Avail Funds	\$ 34,021	\$ 39,762	5,740	\$ 36,216	\$ 43,195	\$ 6,979	\$ 70,238	\$ 82,957	\$ 12,719	18%
Expenditures										
Personnel Costs	\$ 17,887	\$ 16,963	\$ (924)	\$ 18,572	\$ 19,012	\$ 440	\$ 36,459	\$ 35,975	\$ (484)	-1% (3)
Supplies, Other Services	9,787	9,564	(223)	9,686	9,110	(576)	19,473	18,673	(799)	-4% (4)
Current Fund Capital Outlay	1,355	4,571	3,216	4,365	4,858	493	5,720	9,428	3,708	65% (5)
Debt Service	968	908	(61)	897	897	-	1,865	1,805	(61)	-3%
Taxes	3,309	3,841	532	3,432	4,171	739	6,741	8,012	1,271	19%
Total Expenditures	\$ 33,306	\$ 35,846	\$ 2,540	\$ 36,952	\$ 38,047	\$ 1,096	\$ 70,258	\$ 73,894	\$ 3,636	5%
Total Revenues Less Expenditures	\$ 716	\$ 3,915	\$ 3,200	\$ (736)	\$ 5,148	\$ 5,884	\$ (20)	\$ 9,063	\$ 9,083	
Appropriation from Current Fund	\$ (716)	\$ (962)	\$ (247)	\$ 736	\$ (4,406)	\$ (5,141)	\$ 20	\$ (9,063)	\$ (9,083)	
Capital Outlay Financing Detail										
Funded from Current Fund	\$ 1,355	\$ 4,571	\$ 3,216	\$ 4,365	\$ 4,858	\$ 493	\$ 5,720	\$ 9,428	\$ 3,708	65%
Grants, Transfers & Pledges	1,715	267	(1,448)	4,645	22	(4,623)	6,360	289	(6,071)	-95%
Funded from New Debt	590	903	313	1,400	727	(673)	1,990	1,630	(360)	-18%
Total Capital Outlay	\$ 3,660	\$ 5,741	\$ 2,081	\$ 10,410	\$ 5,607	\$ (4,803)	\$ 14,070	\$ 11,348	\$ (2,722)	-19%
Starting Cash Balance	\$ 10,589	\$ 10,589	-	\$ 11,305	\$ 11,551	247	\$ 10,589	\$ 10,589	0%	0%
EOY Current Fund Balance	\$ 11,305	\$ 11,551	247	\$ 10,569	\$ 15,957	5,388	\$ 10,569	\$ 15,957	51%	51%
Volume Investment Fund	\$ 500	\$ 500	-	\$ -	\$ 1,500	1,500	\$ 500	\$ 2,000	300%	300%

Values in thousands

Large Capital Projects

Project	Phase	Estimated Project Cost	Life-to-Date Actuals	Additional Funding
Battery Electric Locomotives	Pre-obligation activities	\$16.0M	\$0.0M	Grants State Appropriations
Annie Tracks & Switch Curve Upgrade	Construction	\$2.5M	\$0.1M	WSDOT Loan Port of Tacoma CIAC
Crossing Signalization	Design complete	\$2.5M	\$0.6M	Grant
Alexander Wye & Storage Tracks	Completed	\$1.2M	\$1.2M	WSDOT Loan
Track Ballast Tamper	Receiving bids	\$1.4M	\$0.0M	WSDOT Loan

Biennium Cash Projection






Performance Metrics Update

3rd Quarter 2024

November 13, 2024

Performance Metrics Summary



Quarter 3, 2024 Performance Metrics Report Tacoma Public Utilities		
 TACOMA POWER <small>TACOMA PUBLIC UTILITIES</small>	 TACOMA WATER <small>TACOMA PUBLIC UTILITIES</small>	 TACOMA RAIL <small>TACOMA PUBLIC UTILITIES</small>
Financial Performance - Supports Guiding Principle: 2 (Financial Sustainability)		
1 Debt Service Coverage ●	1 Debt Service Coverage ●	1 Debt Service Coverage N/A
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 Guiding Principle: 3 (Rates); 5 (Environmental Sustainability); 7 (Reliability & Resiliency)		
4 Residential Bill Comparison ●	4 Residential Bill Comparison ●	4 Railroad Tariffs Comparison ●
5a Distribution O&M Cost per Customer ● ↓	5 O&M Cost per Account ●	5 Operating Ratio ●
5b Power Supply Expense per kWh Sold ●	6 Unplanned Service Disruptions ●	6 Locomotives Serviced ●
6a Outage Duration ●	7 Distribution System Leakage ●	7 On-Time Switching ●
6b Outage Frequency ●	8 Water Conservation ●	8 Storm Water Stewardship ● ↓
7 Non-Carbon Power Resources ●		
8 Power Conservation ●		
Commitment to Cust & Employees - Supports Guiding Principle: 5 (Environ. Sustainability); 7 (Reliability); 12 (Emp. Relations); 13 (Customer Svc)		
9 Customer Satisfaction ●	9 Customer Satisfaction ●	9 Customer Satisfaction ●
10 Employee Satisfaction ●	10 Employee Satisfaction ●	10 Employee Satisfaction ●
11 Employee Safety ● ↑	11 Employee Safety ●	11 Employee Safety ● ↑
12 Call Center Responsiveness ●	12 Call Center Responsiveness ●	

Performance Metrics Highlights



❖ Financial Performance

- Q3 performance favorable across all metrics

❖ Operational Excellence

- Power Distribution O&M within 2.9% of the Regional Median benchmark
- Rail Storm Water testing detects dry season pollutants

❖ Commitment to Customers & Employees

- Safety metrics and program under review as outlined in the director's work plan.
- Call Center team adjusting to reorg. New KPIs under review.