



# **TACOMA PUBLIC UTILITIES**

## **2017/2018 PRELIMINARY BIENNIUM BUDGET**

**October 31, 2016**



# Tacoma Public Utilities

## Public Utility Board

Mark Patterson, Chair

Monique Trudnowski, Vice-Chair

Woodrow Jones, Secretary

Bryan Flint, Member

Karen Larkin, Member

## Executive Team

William A. Gaines –

Director of Utilities/Chief Executive Officer

Chris Robinson –

Tacoma Power Superintendent/Chief Operating Officer

Linda McCrea –

Tacoma Water Superintendent

Dale W. King –

Tacoma Rail Superintendent

Prepared by:

Management Services Office

Jim Sant

Barbara Ostrander

Michelle Rhubright

Maria Kossan



**City of Tacoma, Washington  
 Department of Public Utilities  
 2017/2018 Preliminary Biennium Budget**

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**City of Tacoma, Washington  
Department of Public Utilities  
2017/2018 Preliminary Biennium Budget**

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October 31, 2016

To the Mayor and Members of Tacoma City Council:

In conformance with the provisions of state law and Section 4.12 of the Charter of the City of Tacoma, we are transmitting the Preliminary 2017/2018 Biennial Budget for the Department of Public Utilities.

The total department budget includes the budgets for Tacoma Power, Tacoma Water, Tacoma Rail, Fleet Services, Self-Insurance Claim and Family Need Funds.

Memorandum budgets are submitted for the Administrative Offices, Customer Services and TPU Support Services. The expenditures of these supporting service divisions are allocated to Tacoma Power, Tacoma Water, Tacoma Rail and Fleet Services Funds. Portions of the Customer Services costs are reimbursed by the City's Environmental Services.

The budgets were developed without compromising the mission or values of Tacoma Public Utilities while at the same time carefully and thoughtfully considering budget impacts on customer rates with an eye on the long-term. Expenditures have been thoroughly reviewed. Capital outlay budgets have been fully examined and prioritized for possible deferral or elimination. Each of the utilities continues to keep a close watch on revenues, expenses and market influences and is carefully monitoring its financial position. These budgets were prepared with that same kind of prudence. Financing of budgeted projects is consistent with the rate policies established by the Public Utility Board and City Council.

The Tacoma Public Utilities 2017/2018 biennial budget totals \$1.21 billion which represents a (7.0) percent decrease from the 2015/2016 biennium. The budget reflects additional revenue anticipated from rate increases by Tacoma Power, Click! Network, Tacoma Water and Tacoma Rail, the details of which are noted in their subsections below.

## **Tacoma Power**

Tacoma Power's 2017/2018 budget is \$923.4 million. This is down (\$101.6) million, or (9.9) percent, from the 2015/2016 amended budget. The substantial decrease results from a \$122 million defeasance of long-term debt taking place in 2015, using available cash reserves, which is not planned for in the upcoming biennium.

Tacoma Power personnel costs are projected to increase approximately \$10.7 million or 5.6 percent. These costs include a minor increase in Tacoma Power staffing levels from 855 to 858.6 full time equivalents (FTEs). Additional employees, including the repurposing of several existing positions, will address resource needs driven by Tacoma Power's recently completed strategic plan update. In order to control costs and mitigate rate impacts, supplies, services and other charges will decrease by (\$8.5) million or (1.8) percent. The total capital outlay proposed is \$190.5 million, of which \$81.8 million of this capital plan will be paid for from the operating fund while \$108.7 million will be paid from bond proceeds.

Taxes, primarily City of Tacoma gross earnings tax of \$65.0 million and State of Washington utilities and business taxes of \$42.2 million, total \$107.2 million for the biennium, which is an increase of \$13.6 million from the prior biennium. The higher tax level is driven by a voter approved hike to the city gross earnings tax rate from 6.0% to 7.5%. Included in the tax figures are administrative fees for small surrounding cities where Tacoma Power operates, plus Click! Network franchise-like fees.

Funding for the budget will be primarily from sales of electric energy, bulk power sales and telecommunications revenues. Tacoma Power also receives other electric and miscellaneous revenues, such as interest income, rents, and wheeling revenues. Tacoma Power will maintain a minimum cash reserve of 90 days of operating expenses including capital paid from the operating fund. The budget includes anticipated additional revenue of \$43.2 million, derived from an average system rate increase of approximately 5.9 percent in each of the two years of the biennium. The budget assumes that the rate stabilization fund maintains its current balance of \$48 million as a protection against potentially unfavorable conditions which could have swift and substantial negative impacts on revenues. An appropriation from the operating fund of \$38.2 million is planned to balance Tacoma Power's budget and to help minimize rate increases.

## **Tacoma Water**

Tacoma Water's 2017/2018 budget is \$191.6 million. This is a \$17.8 million increase, or 10.2 percent, over the current budget.

Tacoma Water's personnel costs are planned to increase by \$4.3 million, including an increase in planned staffing levels of 17.3 FTEs. The increase in FTEs supports broad analysis, data driven decision making and strategic asset management, and aligns



staffing with emerging areas of emphasis. Supplies, services and other charges will increase to cover growing operational expenses to provide safe, clean water and to address other priorities. Debt Service is expected to increase to \$53.0 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 \$48.0 million. The capital financing plan calls for \$8.0 million to be paid for from the operating fund with the remainder coming from existing debt proceeds.

Taxes paid by Tacoma Water total \$22.7 million for the biennium, an increase of \$1.9 million. City of Tacoma gross earnings tax equals \$13.4 million and State of Washington utilities and business taxes equal \$9.3 million. 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 \$7.9 million is required, which would come from an average system rate increase of approximately 4.0 percent in both 2017 and 2018.

### **Tacoma Rail**

Tacoma Rail's 2017/2018 budget is \$66.6 million. This is \$1.0 million, or 1.5 percent, above the current budget. Tacoma Rail's operations by necessity fluctuate and are greatly influenced by economic activity, particularly driven by the movement of goods and commodities around the Port of Tacoma.

Personnel costs are projected to increase by \$.6 million, with staffing levels budgeted to decrease by 4 FTEs for the biennium. Supplies, services and other charges are planned to increase by \$1.8 million or 8.4 percent. The total capital outlay proposed is \$5.7 million. \$4.3 million of this capital plan will be paid from the operating fund while \$1.4 million will be financed with either grants or special no, or low, interest loans.

Funding for the budget comes primarily from switching revenues. For the first time in five years, Tacoma Rail proposes modest rate increases for 2017 with further rate analysis to follow for 2018.

Taxes paid by Tacoma Rail total \$6.3 million for the biennium, a decrease of \$65.3 thousand. City of Tacoma gross earnings tax equals \$5.3 million and State of Washington utilities and business taxes total approximately \$1.0 million.

### **Transfers to General Government**

General Government charges of \$38.0 million expected to be allocated to the Department of Public Utilities are included in the proposed appropriations for Tacoma Power, Tacoma Water, Tacoma Rail and Fleet Services funds.

The budgets of the operating divisions also include \$83.8 million for gross earnings tax payments to the General Fund during the biennium.

### **The Budget Review Process to Date**

The Director and Senior Management participated in discussions of the proposed budget at Public Utility Board Study Sessions on August 24, September 14 and September 28, 2016. The budget was also discussed at a joint City Council/Public Utility Board Study Session on October 18, 2016 and at the Public Utility Board Meetings on October 12 and October 26, 2016.

The Public Utility Board has studied and reviewed the preliminary budget in detail with the Director, Senior Management and Staff during a considerable period of time and recommends approval by the City Council. Additional study and review will continue until time for final adoption. The Council will be informed of any changes that may be necessary or deemed desirable by the Board.

Sincerely,



Mark Patterson  
Chair  
Public Utility Board



October 26, 2016

To the Members of the Public Utility Board:

The preliminary draft of the Department of Public Utilities Budget for the 2017/2018 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 on October 31, 2016.

My office, staffs of the various divisions, the division managers and Superintendents, and the Management Services Office have carefully reviewed these requested appropriations. The divisional budgets were discussed at Public Utility Board Study Sessions on August 24, September 14, and September 28, 2016. The budget was also discussed in detail at a joint City Council/Public Utility Board Study Session on October 18, 2016 and a summary was presented at the Public Utility Board Meeting on October 12, 2016.

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 2017/2018 biennial budget totals \$1.21 billion which represents a (7.0) percent decrease from the 2015/2016 biennium. The budget reflects additional revenue anticipated from rate increases by Tacoma Power, Click! Network, Tacoma Water and Tacoma Rail, the details of which are noted in their subsections below.

The assumption for all of Tacoma Public Utilities includes health and welfare benefit costs which are consistent with levels in the Citywide biennial budget. The retirement contribution is budgeted at 10.8 percent for 2017 and 11.34 percent for 2018.

## **Tacoma Power**

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

Tacoma Power's 2017/2018 budget is \$923.4 million. This is down (\$101.6) million, or (9.9) percent, from the 2015/2016 amended budget. The substantial decrease results from a \$122 million defeasance of long-term debt taking place in 2015, using available cash reserves, which is not planned for in the upcoming biennium.

Tacoma Power personnel costs are projected to increase approximately \$10.7 million or 5.6 percent. These costs include a minor increase in Tacoma Power staffing levels from 855 to 858.6 full time equivalents (FTEs). Additional employees, including the repurposing of several existing positions, will address resource needs driven by Tacoma Power's recently completed strategic plan update. In order to control costs and mitigate rate impacts, supplies, services and other charges will decrease by (\$8.5) million or (1.8) percent. The total capital outlay proposed is \$190.5 million, of which \$81.8 million of this capital plan will be paid for from the operating fund while \$108.7 million will be paid from bond proceeds.

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Funding for the budget will be primarily from sales of electric energy, bulk power sales and telecommunications revenues. Tacoma Power also receives other electric and miscellaneous revenues, such as interest income, rents, and wheeling revenues. Tacoma Power will maintain a minimum cash reserve of 90 days of operating expenses including capital paid from the operating fund. The budget includes anticipated additional revenue of \$43.2 million, derived from an average system rate increase of approximately 5.9 percent in each of the two years of the biennium. The budget assumes that the rate stabilization fund maintains its current balance of \$48 million as a protection against potentially unfavorable conditions which could have swift and substantial negative impacts on revenues. An appropriation from the operating fund of \$38.2 million is planned to balance Tacoma Power's budget and to help minimize rate increases.

## **Tacoma Water**

In formulating its budget, Tacoma Water continues to focus on cost control while maintaining responsible stewardship of the utility's assets.

Tacoma Water's 2017/2018 budget is \$191.6 million. This is a \$17.8 million increase, or 10.2 percent, over the current budget.

Tacoma Water's personnel costs are planned to increase by \$4.3 million, including an increase in planned staffing levels of 17.3 FTEs. The increase in FTEs supports broad analysis, data driven decision making and strategic asset management, and aligns staffing with emerging areas of emphasis. Supplies, services and other charges will increase to cover growing operational expenses to provide safe, clean water and to address other priorities. Debt Service is expected to increase to \$53.0 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 \$48.0 million. The capital financing plan calls for \$8.0 million to be paid for from the operating fund with the remainder coming from existing debt proceeds.

Taxes paid by Tacoma Water total \$22.7 million for the biennium, an increase of \$1.9 million. City of Tacoma gross earnings tax equals \$13.4 million and State of Washington utilities and business taxes equal \$9.3 million. 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 \$7.9 million is required, which would come from an average system rate increase of approximately 4.0 percent in both 2017 and 2018.

## **Tacoma Rail**

Tacoma Rail's 2017/2018 budget is \$66.6 million. This is \$1.0 million, or 1.5 percent, above the current budget. Tacoma Rail's operations by necessity fluctuate and are greatly influenced by economic activity, particularly driven by the movement of goods and commodities around the Port of Tacoma.

Personnel costs are projected to increase by \$.6 million, with staffing levels budgeted to decrease by 4 FTEs for the biennium. Supplies, services and other charges are planned to increase by \$1.8 million or 8.4 percent. The total capital outlay proposed is \$5.7 million. \$4.3 million of this capital plan will be paid from the operating fund while \$1.4 million will be financed with either grants or special no, or low, interest loans.

Funding for the budget comes primarily from switching revenues. For the first time in five years, Tacoma Rail proposes modest rate increases for 2017 with further rate analysis to follow for 2018.

Taxes paid by Tacoma Rail total \$6.3 million for the biennium, a decrease of \$65.3 thousand. City of Tacoma gross earnings tax equals \$5.3 million and State of Washington utilities and business taxes total approximately \$1.0 million.

## **Fleet Services Fund**

The Fleet Services Fund's 2017/2018 biennial budget is \$24.8 million as compared to \$33.4 million in the current biennium. The majority of the decrease relates to a lower capital outlay which is down (\$10.9) million.

## **Other Funds**

Self-Insurance Claim Fund biennial appropriations, which are provided by Tacoma Power, Tacoma Water and Tacoma Rail plus appropriations from the cash reserves, total \$3.8 million.

The Family Need Fund, which is a funding source for bill payment assistance to qualifying low income Power customers, will have a total biennial budget of \$2.0 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 the Customer Services costs are reimbursed by the City's Environmental Services. Service division budgets include the Administrative Offices, Customer Services, Real Property Services, IT Dedicated Resources, UTS 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 have budgets that total \$69.8 million for the 2017/2018 biennium, up from \$66.1 million in the current biennium.

## **Summary**

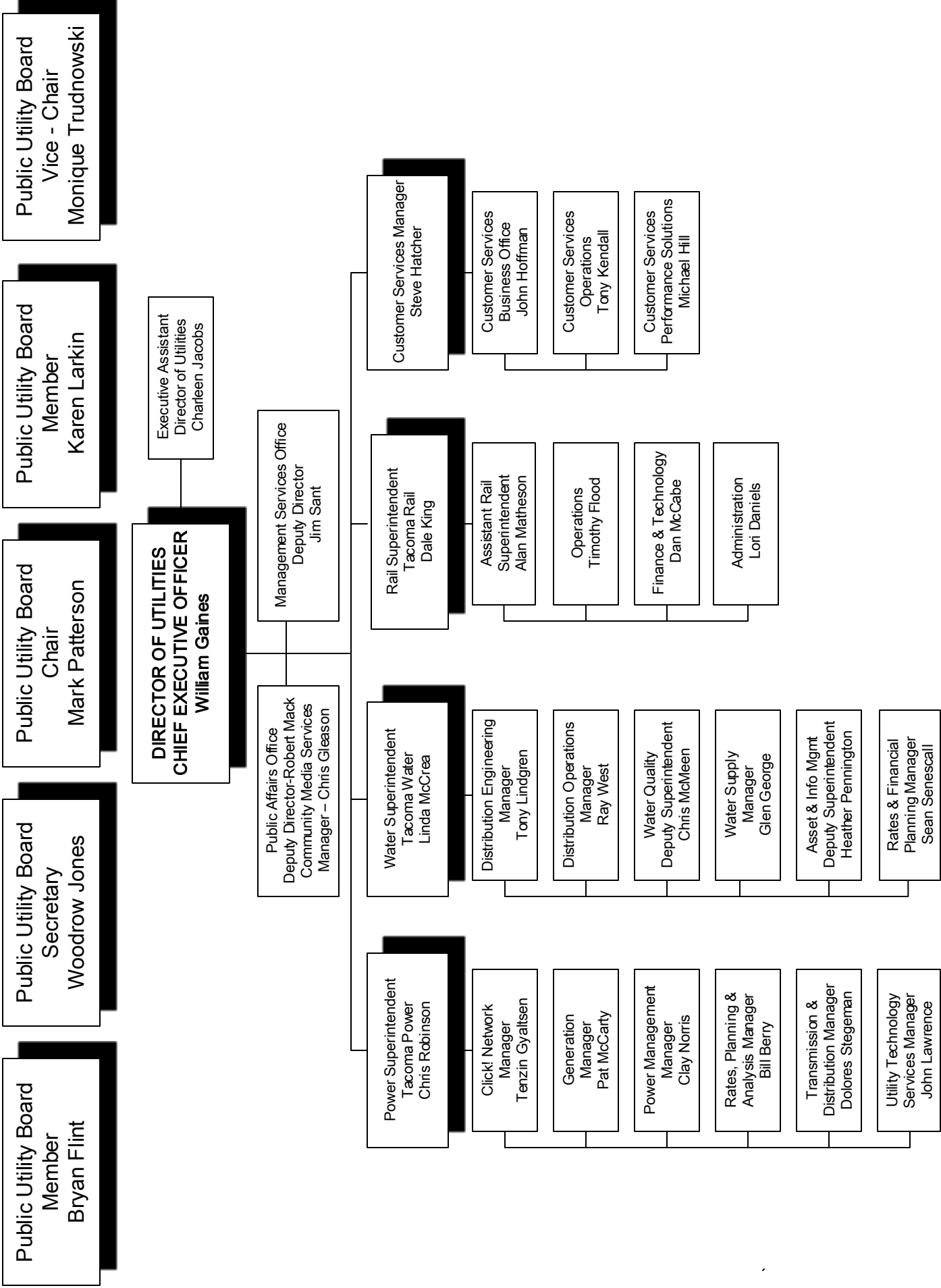
The revenues and expenditures contained in the Department of Public Utilities 2017/2018 biennial budget requests were developed in accordance with the stated mission of the department and in conformance with the objectives of our strategic plan. The proposed budget appropriations were reviewed extensively 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 2017/2018 biennium and beyond.

Sincerely,



William A. Gaines  
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.

**2015-2016 BUDGET**

	<b>Personnel Costs</b>	<b>Supplies, Services &amp; Other Charges</b>	<b>Taxes</b>	<b>Debt Service</b>	<b>Capital Outlay</b>	<b>2015-2016 Total</b>
Tacoma Power Division*	\$189,746,992	\$475,402,812	\$93,623,204	\$198,882,478	\$67,329,440	<b>\$1,024,984,926</b>
Tacoma Water Division	50,226,810	49,196,622	20,831,477	47,305,318	6,222,588	<b>173,782,815</b>
Tacoma Rail Division	30,931,089	20,952,432	6,361,000	1,431,736	5,967,000	<b>65,643,257</b>
<b>Operating Funds</b>	<b>270,904,891</b>	<b>545,551,866</b>	<b>120,815,681</b>	<b>247,619,532</b>	<b>79,519,028</b>	<b>1,264,410,998</b>
Fleet Services Fund	5,847,034	3,227,950	0	0	24,342,000	<b>33,416,984</b>
Family Need Fund	0	1,980,000	0	0	0	<b>1,980,000</b>
Self-Insurance Fund	0	3,238,211	0	0	0	<b>3,238,211</b>
<b>Other Funds</b>	<b>5,847,034</b>	<b>8,446,161</b>	<b>0</b>	<b>0</b>	<b>24,342,000</b>	<b>38,635,195</b>
<b>Total TPU 2015-2016</b>	<b>\$276,751,925</b>	<b>\$553,998,027</b>	<b>\$120,815,681</b>	<b>\$247,619,532</b>	<b>\$103,861,028</b>	<b>\$1,303,046,193</b>

**2017-2018 BUDGET**

	<b>Personnel Costs</b>	<b>Supplies, Services &amp; Other Charges</b>	<b>Taxes</b>	<b>Debt Service</b>	<b>Capital Outlay</b>	<b>2017-2018 Total</b>
Tacoma Power Division	\$200,456,764	\$466,917,187	\$107,182,939	\$66,995,223	\$81,830,000	<b>\$923,382,113</b>
Tacoma Water Division	54,522,063	53,274,970	22,742,786	53,012,978	8,010,973	<b>191,563,770</b>
Tacoma Rail Division	31,543,815	22,705,310	6,295,643	1,799,885	4,298,543	<b>66,643,196</b>
<b>Operating Funds</b>	<b>286,522,642</b>	<b>542,897,467</b>	<b>136,221,368</b>	<b>121,808,086</b>	<b>94,139,516</b>	<b>1,181,589,079</b>
Fleet Services Fund	6,643,452	4,698,624	0	0	13,418,000	<b>24,760,076</b>
Family Need Fund	0	2,000,000	0	0	0	<b>2,000,000</b>
Self-Insurance Fund	0	3,762,254	0	0	0	<b>3,762,254</b>
<b>Other Funds</b>	<b>6,643,452</b>	<b>10,460,878</b>	<b>0</b>	<b>0</b>	<b>13,418,000</b>	<b>30,522,330</b>
<b>Total TPU 2017-2018</b>	<b>\$293,166,094</b>	<b>\$553,358,345</b>	<b>\$136,221,368</b>	<b>\$121,808,086</b>	<b>\$107,557,516</b>	<b>\$1,212,111,409</b>

\*2015-16 Tacoma Power Budget includes the mid-biennium adjustment.  
Prior years may have been reclassified or restated to reflect organizational changes.

Job Classifications and Salary Information:  
Visit [www.cityoftacoma.org/empage.aspx](http://www.cityoftacoma.org/empage.aspx) for current job classification specs with salary data.



**CITY OF TACOMA  
DEPARTMENT OF PUBLIC UTILITIES**

**COMPARATIVE BUDGET**

<b>Fund</b>	<b>Biennial Budget 2015-2016</b>	<b>Biennial Budget 2017-2018</b>	<b>\$ Increase or Decrease</b>	<b>% Increase or Decrease</b>	<b>% 2017-2018 Total Dept.</b>
Tacoma Power	\$1,024,984,926	\$923,382,113	(\$101,602,813)	(9.9%)	76.1%
Tacoma Water	173,782,815	191,563,770	17,780,955	10.2%	15.8%
Tacoma Rail	65,643,257	66,643,196	999,939	1.5%	5.5%
Fleet Services	33,416,984	24,760,076	(8,656,908)	(25.9%)	2.0%
Family Need	1,980,000	2,000,000	20,000	1.0%	0.2%
Self-Insurance Claim	3,238,211	3,762,254	524,043	16.2%	0.3%
<b>Total Department</b>	<b>\$1,303,046,193</b>	<b>\$1,212,111,409</b>	<b>(\$90,934,784)</b>	<b>(7.0%)</b>	<b>100.0%</b>

<b>DEPARTMENT OF PUBLIC UTILITIES Taxes</b>	<b>2013-14 Biennium Actual</b>	<b>2015-16 Biennium Budget</b>	<b>2017-18 Biennium Budget</b>
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### **TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax	\$69,096,251	\$70,375,764	\$83,786,232
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State of Washington:

Utility & Business Tax	32,400,789	35,552,140	37,371,929
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Other \*

14,995,971	14,887,777	15,063,207
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Subtotal	<b>116,493,011</b>	<b>120,815,681</b>	<b>136,221,368</b>
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Federal Taxes (FICA)

13,536,797	14,620,289	15,385,561
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Federal Railroad Taxes (RR)

3,570,654	3,945,162	4,051,175
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Subtotal	<b>17,107,451</b>	<b>18,565,451</b>	<b>19,436,736</b>
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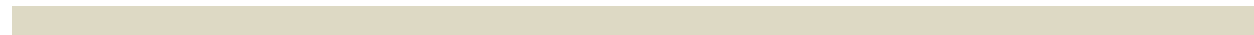
<b>Total Taxes</b>	<b>\$133,600,462</b>	<b>\$139,381,132</b>	<b>\$155,658,104</b>
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Note: State Sales Tax is included in O & M Budget line items for materials.

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.

<b>DEPARTMENT OF PUBLIC UTILITIES</b>	<b>2015-16</b>	<b>2017-18</b>
<b>General Government Expenses</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>



City Clerk	\$85,238	\$83,480
City Council	437,093	197,554
City Manager's Office	87,698	122,636
CMO Equity	102,614	145,086
Economic Development	150,000	100,000
Government Relations	99,795	103,754
Hearing Examiner	47,132	68,937
HUB	232,898	465,839
LEAP	324,159	355,818
TTEP	325,502	330,241
Other	121,162	0

<b>Total Miscellaneous General Government Expenses</b>	<b>2,013,291</b>	<b>1,973,345</b>
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Finance	4,438,310	4,526,006
Finance - Utility Accounting	3,005,782	2,594,616
Human Resources	4,425,545	4,702,409
IT	19,349,043	21,464,048
Legal	2,738,714	2,689,678

<b>Total TPU General Government Expenses</b>	<b>\$35,970,685</b>	<b>\$37,950,102</b>
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**TACOMA POWER**

**TACOMA PUBLIC UTILITIES**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16*</b>	<b>2017-18</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

#### Operating Revenue

Sales of Electric Energy	\$768,224,363	\$765,049,739	\$732,280,506
Anticipated Additional Revenue	0	15,841,748	43,226,663
Other Electric Revenue	34,047,351	32,562,570	35,494,747
Telecommunications Revenue	53,482,380	59,477,322	61,299,566

<b>Total Operating Revenue</b>	<b>855,754,094</b>	<b>872,931,379</b>	<b>872,301,482</b>
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Other Income	17,291,898	13,662,577	12,922,473
Appropriation from Fund Balance	0	138,390,970	38,158,158

<b>Total Revenue &amp; Available Funds</b>	<b>\$873,045,992</b>	<b>\$1,024,984,926</b>	<b>\$923,382,113</b>
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### **EXPENDITURES**

Personnel Costs	\$164,119,265	\$189,746,992	\$200,456,764
Supplies, Services & Other Charges	399,040,861	475,402,812	466,917,187
Taxes - Current Revenue Estimate	91,133,554	92,059,085	102,266,598
Taxes - Anticipated Additional Revenue	0	1,564,119	4,916,341
Debt Service	113,625,582	76,747,478	66,995,223
Capital Outlay	45,648,403	67,329,440	81,830,000
Cash Defeasance	0	122,135,000	0

<b>Total Expenditures</b>	<b>\$813,567,665</b>	<b>\$1,024,984,926</b>	<b>\$923,382,113</b>
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### **CAPITAL OUTLAY FINANCING DETAIL**

Funded From Operating Fund		\$67,329,440	\$81,830,000
Funded From Existing Bonds		17,968,000	0
Funded From New Bonds		97,363,000	108,644,000

<b>Total Capital Outlay</b>		<b>\$182,660,440</b>	<b>\$190,474,000</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>835.43 / 833.63</b>	<b>856.21 / 854.21</b>	<b>857.27 / 860.02</b>
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\*2015-16 Budget includes the mid-biennium adjustment.

<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16*</b>	<b>2017-18</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE SUMMARY**

Sales of Electric Energy	\$768,224,363	\$765,049,739	\$732,280,506
Anticipated Additional Revenue	0	15,841,748	43,226,663
Other Electric Revenue	34,047,351	32,562,570	35,494,747
Telecommunications Revenue	53,482,380	59,477,322	61,299,566
<b>Total Operating Revenue</b>	<b>855,754,094</b>	<b>872,931,379</b>	<b>872,301,482</b>
Other Income	17,291,898	13,662,577	12,922,473
Appropriation from Fund Balance	0	138,390,970	38,158,158

<b>Total Revenue &amp; Available Funds</b>	<b>\$873,045,992</b>	<b>\$1,024,984,926</b>	<b>\$923,382,113</b>
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### **REVENUE DETAIL**

#### **Sales of Electric Energy**

Residential	\$298,230,703	\$309,025,965	\$314,653,878
Private Off-Street Lighting	2,404,137	1,964,259	2,543,906
Small General	51,704,993	54,346,360	54,346,433
General	185,784,989	198,721,625	195,825,501
High Voltage General	38,616,360	43,309,707	36,485,717
Contract Industrial - Firm	40,955,385	44,350,893	42,637,365
Street Lighting & Traffic Signals	2,535,177	2,814,895	2,397,520
<b>Total Retail Sales</b>	<b>620,231,744</b>	<b>654,533,704</b>	<b>648,890,320</b>

#### **Other Sales**

Bulk Power Sales	147,006,999	110,516,035	83,390,186
Accrued Unbilled Revenue	985,621	0	0
<b>Total Other Sales</b>	<b>147,992,619</b>	<b>110,516,035</b>	<b>83,390,186</b>

Anticipated Additional Revenue	0	15,841,748	43,226,663
<b>Total Sales of Electric Energy</b>	<b>768,224,363</b>	<b>780,891,487</b>	<b>775,507,169</b>



<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16*</b>	<b>2017-18</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Other Electric Revenue**

Rent from Electric Property	2,698,441	2,769,599	2,824,560
Interdepartmental Rent	4,279,161	4,466,988	4,925,388
Service Connection Fees	2,298,071	2,387,672	2,273,080
Green Power	183,089	182,000	226,404
Overhead on Work for Others	293,671	258,147	226,345
Late Payment Fees	2,326,066	2,346,839	2,323,843
Income from Campgrounds	2,458,206	2,474,150	2,809,965
Wheeling	19,604,308	17,486,352	19,856,880
Miscellaneous	(93,661)	190,823	28,282
<b>Total Other Electric Revenue</b>	<b>34,047,351</b>	<b>32,562,570</b>	<b>35,494,747</b>

**Telecommunications Revenue**

CATV	34,564,173	42,475,497	38,786,871
Broadband	2,249,779	2,200,329	2,411,528
Internet	11,406,857	13,269,146	18,265,376
Miscellaneous	5,261,570	1,532,350	1,835,791
<b>Total Telecommunications</b>	<b>53,482,380</b>	<b>59,477,322</b>	<b>61,299,566</b>

**Other Income**

Interest	6,595,963	4,147,775	3,750,235
Federal Subsidy for BABS/CREBS interest	7,308,172	7,537,542	7,340,000
Miscellaneous	3,387,764	1,977,260	1,832,238
<b>Total Other Income</b>	<b>17,291,898</b>	<b>13,662,577</b>	<b>12,922,473</b>

**Other Available Funds**

Appropriation from Fund Balance	0	138,390,970	38,158,158
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<b>Total Revenue &amp; Available Funds</b>	<b>\$873,045,992</b>	<b>\$1,024,984,926</b>	<b>\$923,382,113</b>
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\*2015-16 Budget includes the mid-biennium adjustment.

<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16*</b>	<b>2017-18</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Section**

Power Administration	\$116,861,724	\$119,781,421	\$136,330,792
Click!	58,066,184	64,845,085	69,749,612
Generation	76,800,896	95,638,856	97,929,593
Power Management	295,653,945	350,554,846	335,491,958
Rates, Planning & Analysis	4,790,809	7,070,534	8,157,979
Transmission & Distribution	83,965,279	96,672,053	99,483,222
Utility Technology Services	18,154,844	24,210,213	27,413,734

<b>Total for Division</b>	<b>\$654,293,680</b>	<b>\$758,773,008</b>	<b>\$774,556,890</b>
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**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$145,685,299	\$164,332,267	\$171,373,051
Employee Benefits	55,926,309	62,556,664	64,887,312
Capital Credit & Labor To/From Others	(37,492,343)	(37,141,939)	(35,803,599)
<b>Total Personnel Costs</b>	<b>164,119,265</b>	<b>189,746,992</b>	<b>200,456,764</b>
Supplies	253,199,978	298,972,271	284,010,964
Services	68,965,445	90,990,950	92,136,732
Other Charges	31,183,144	31,379,310	31,524,269
Assessments	45,692,293	54,060,281	59,245,222
Taxes	91,133,554	93,623,204	107,182,939

<b>Total for Division</b>	<b>\$654,293,680</b>	<b>\$758,773,008</b>	<b>\$774,556,890</b>
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\*2015-16 Budget includes the mid-biennium adjustment.

<b>TACOMA POWER Taxes</b>	<b>2013-14 Biennium Actual</b>	<b>2015-16 Biennium Budget</b>	<b>2017-18 Biennium Budget</b>
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### **TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax (7.5%)	\$52,302,267	\$51,696,680	\$61,778,397
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State of Washington:

Utility & Business Tax	25,144,366	26,635,005	26,746,080
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Other\*

County/Schools/Fire Protection Dist.	3,789,222	3,965,000	4,243,300
Franchise Administrative Fees	7,066,498	6,814,800	6,775,934
Click! Franchise-Like Fees	2,831,201	2,947,600	2,722,887

Subtotal	<b>91,133,554</b>	<b>92,059,085</b>	<b>102,266,598</b>
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Anticipated Additional Revenue\*\*

Gross Earnings Tax (7.5%)		950,505	3,242,000
Utility & Business Tax		613,614	1,674,341
		1,564,119	4,916,341

Total City & Utility Tax	<b>91,133,554</b>	<b>93,623,204</b>	<b>107,182,939</b>
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Federal Taxes (FICA)	10,587,928	11,485,828	11,974,468
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<b>Total Tacoma Power Taxes</b>	<b>\$101,721,482</b>	<b>\$105,109,032</b>	<b>\$119,157,407</b>
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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.

<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **DEBT SERVICE SUMMARY**

Interest	\$53,215,582	\$49,282,478	\$45,325,223
Principal	60,410,000	117,465,000	21,670,000
Reduction due to Defeasance	0	(90,000,000)	0

<b>Total Debt Service</b>	<b>\$113,625,582</b>	<b>\$76,747,478</b>	<b>\$66,995,223</b>
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### **DEBT SERVICE DETAIL**

2004 Revenue Bonds	Interest	\$1,152,398	\$0	\$0
\$82,655,000	Principal	3,365,000	0	0
2005A Revenue Bonds	Interest	1,641,463	5,200	0
\$93,480,000	Principal	0	130,000	0
2005B Ref & Rev Bonds*	Interest	11,081,884	2,658,775	0
\$156,425,000	Principal	0	90,000,000	0
2007 Ref Bonds	Interest	3,018,168	0	0
\$81,130,000	Principal	38,230,000	0	0
2010A Revenue Bonds	Interest	999,996	0	0
\$16,000,000	Principal	16,000,000	0	0
2010B Revenue Bonds	Interest	17,383,647	17,383,647	17,383,647
\$147,070,000	Principal	0	0	0
2010C Revenue Bonds	Interest	2,728,552	2,728,552	2,728,552
\$24,185,000	Principal	0	0	0
2013A Ref & Rev Bonds	Interest	12,704,501	15,437,450	12,971,200
\$181,610,000	Principal	2,815,000	27,335,000	21,670,000
2013B Ref & Rev Bonds	Interest	2,504,974	3,232,220	3,232,220
\$35,620,000	Principal	0	0	0
2015 Wells Fargo Line of Credit	Interest	0	7,836,634	1,600,000
\$100,000,000	Principal	0	0	0
2017 Bonds	Interest	0	0	7,409,604
\$100,000,000 - Anticipated	Principal	0	0	0
Reduction due to Defeasance		0	(90,000,000)	0

<b>Total Debt Service</b>	<b>\$113,625,582</b>	<b>\$76,747,478</b>	<b>\$66,995,223</b>
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TACOMA POWER	2015-16	2017-18
Capital Outlay	Biennium Budget	Biennium Budget

## SUMMARY

### Click! Network

Capital Projects:	\$0	\$0
Additions and Replacements:	5,224,000	18,229,000
<b>Click! Total</b>	<b>5,224,000</b>	<b>18,229,000</b>

### General Plant

Capital Projects:	4,300,000	9,203,000
Additions and Replacements:	2,720,440	2,725,000
<b>General Plant Total</b>	<b>7,020,440</b>	<b>11,928,000</b>

### Generation

Capital Projects:	63,766,000	44,228,000
Additions and Replacements:	2,305,000	2,896,000
<b>Generation Total</b>	<b>66,071,000</b>	<b>47,124,000</b>

### Power Management

Capital Projects:	22,194,000	28,850,000
Additions and Replacements:	344,000	0
<b>Power Management Total</b>	<b>22,538,000</b>	<b>28,850,000</b>

### Transmission & Distribution

Capital Projects:	24,335,000	19,131,000
Additions and Replacements:	34,845,000	33,260,000
<b>Transmission &amp; Distribution Total</b>	<b>59,180,000</b>	<b>52,391,000</b>

### Utility Technology Services

Capital Projects:	21,417,000	29,508,000
Additions and Replacements:	1,210,000	2,444,000
<b>Utility Technology Services Total</b>	<b>22,627,000</b>	<b>31,952,000</b>

<b>Sub-Total</b>	<b>\$182,660,440</b>	<b>\$190,474,000</b>
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Projects Funded from Existing Bonds	(\$17,968,000)	\$0
Projects Funded from New Bonds	(97,363,000)	(108,644,000)

<b>Total Operating Fund Capital Outlay</b>	<b>\$67,329,440</b>	<b>\$81,830,000</b>
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<b>TACOMA POWER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **CLICK! Network A & R**

Broadband Services - Comm	\$650,000	\$619,000
Cable Modems - Comm	0	1,650,000
Customer Related Equip - Comm	1,500,000	1,718,000
Equipment - Comm	70,000	50,000
Headend Replace & Upgrades - Comm	250,000	614,000
HFC Network Infrastructure Enhancements - Power	80,000	138,000
Network Infill MDU - Comm	421,000	421,000
Network Security Enhancements - Power	25,000	80,000
Network Upgrade - Comm	0	11,100,000
Network Upgrades & Replacements - Power	1,768,000	1,250,000
New Service Drop Capitalization - Comm	460,000	326,000
Voice Gateway - Comm	0	263,000
<b>Click! Network Total</b>	<b>\$5,224,000</b>	<b>\$18,229,000</b>

### **General Plant Capital Projects**

2017/18 Capital Funding	\$0	\$6,300,000
Admin Complex Auditorium Upgrade	0	431,000
Facilities ABN Main Fan Modernization	0	389,000
Facilities ABN-ECC-Wynoochee Dam Elevator Controllers	0	840,000
SAP Functional Upgrades	500,000	0
Tacoma Power Security Upgrade	1,800,000	0
Service Division Capital-Customer Service (estimate)	2,000,000	1,243,000

### **General Plant A & R**

Facilities Critical Operations Power Systems	175,000	175,000
General Plant	750,000	750,000
Tacoma Power Fleet Supplement	200,000	0
Tacoma Power Security Upgrade	0	1,800,000
Tacoma Power Vehicle Completion	1,595,440	0
<b>General Plant Total</b>	<b>\$7,020,440</b>	<b>\$11,928,000</b>

### **Generation Capital Projects**

Cowlitz Falls Downstream Fish Passage - FERC	\$0	\$8,223,000
Cowlitz License Implementation	31,836,000	0
Cowlitz Off-site Fish Rearing - Satellite Ponds - FERC	0	1,274,000
Cowlitz Salmon Hatchery Filtration System	0	277,000
Cowlitz Salmon Hatchery Generator No 2 Replacement	0	200,000
Cowlitz Trout Hatchery Fish Rearing Revision	0	1,819,000
Cowlitz Trout Hatchery Five Acre Ponds Liner Replacement	0	1,943,000
Cowlitz Trout Hatchery Controls Modernization	250,000	0
Cowlitz Trout Hatchery Water Treatment Modernization	0	4,300,000
Cushman #1 Spillway Control Refurbishment	160,000	0
Cushman #1 Units 21, 22 TIV Replacement	300,000	746,000

<b>TACOMA POWER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

Cushman #2 Cooling Water Overhaul	231,000	0
Cushman #2 Unit 31, 32, 33 Generator Breaker Replacement	0	1,500,000
Cushman #2 Penstock Protection Modernization	56,000	0
Cushman Fish Facilities Improvements - FERC	0	1,875,000
Cushman Fish Habitat Restoration - FERC	0	1,844,000
Cushman License Implementation	18,824,000	0
Fish Habitat & Land Acquisition (CRR Fund) - FERC	0	2,400,000
Hydro Exciter Replacement Program	2,752,000	2,332,000
Hydro Generator Life - Extension Program	0	2,210,000
Hydro Governor Replacement Program	4,030,000	2,698,000
ICS Security Controls Implementation	170,000	0
LaGrande Downstream Fish Barrier - FERC	0	500,000
LaGrande Shop Building	0	1,013,000
Mayfield Downstream Fish Passage Modification - FERC	0	1,899,000
Mayfield Penstocks Slope Tendon Replacement	3,020,000	6,487,000
Mayfield Spillway Post-Tension Anchors	2,000,000	0
Mayfield Plant Access Road Rebuild	0	368,000
Mayfield Upper Access Road Rock Dowels	137,000	0
Nisqually Hydro Project Relay Upgrades	0	320,000

#### **Generation A & R**

ADA Improvements	75,000	47,000
Cowlitz Project Fish Facilities	225,000	200,000
Cowlitz Project Generation	175,000	185,000
Cowlitz Project Recreation	150,000	143,000
Cushman Project Fish Facilities	100,000	464,000
Cushman Project Generation	200,000	211,000
Generation Paving	100,000	210,000
Hydro Plant Automation	135,000	170,000
Hydro Plant Electrical Systems	200,000	230,000
Hydro Plant Mechanical	100,000	162,000
Hydro Plant Water and Sewer Systems	110,000	160,000
Hydro Security	100,000	0
Hydro Wildlife	60,000	113,000
Natural Resources	50,000	50,000
Nisqually Project Generation	200,000	200,000
Nisqually Project Recreation	110,000	110,000
Plant Engineering	115,000	120,000
Wynoochee River Project Generation	100,000	121,000
<b>Generation Total</b>	<b>\$66,071,000</b>	<b>\$47,124,000</b>

#### **Power Management Capital Projects**

2017/18 Energy Conservation	\$0	\$21,850,000
City of Tacoma LED Street Light Upgrade	0	7,000,000
Demand Side Mgmt System Modernization	500,000	0

<b>TACOMA POWER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

Energy Conservation	21,100,000	0
Inflow for Cowlitz River Basin (Modeling)	160,000	0
Load Forecasting Modernization	83,000	0
PM Short-Term Portfolio Optimization	192,000	0
SLICE What-If Analysis	159,000	0

**Power Management A & R**

Power Management Technology Upgrades	344,000	0
<b>Power Management Total</b>	<b>\$22,538,000</b>	<b>\$28,850,000</b>

**Transmission & Distribution Capital Projects**

#6 Copper Conductor Replacement	\$1,100,000	\$1,380,000
115 kV Auto Sectionalizing	474,000	0
115 kV System Reliability Improvements	855,000	0
115 kV System Reliability Improvements (NE Bus Sectionalizing)	0	1,100,000
230 kV System Reliability Improvements Program	220,000	276,000
Cedar 115 kV Bus Differential	177,000	0
Cushman #1, Replace GSU Transformer Bank 1	1,820,000	0
Distribution Efficiency Program	400,000	184,000
Distribution Substation Transformer Replacement Program	3,000,000	2,668,000
Downtown Infrastructure Development Program	1,816,000	800,000
Engineering Design Application Upgrade/Repl	50,000	0
Feeder Sectionalizing	400,000	0
Henderson Bay Tower Replacement	2,700,000	0
Henderson Bay Crossing Rehabilitation	0	4,070,000
LaGrande Switchyard, Rep Substation Transformer	1,153,000	0
LID Program - OH to UG Conversion	10,000	0
Martin Luther King LID - 6th St. to 25th St.	20,000	0
Nisqually Substation Protection & SCADA Upgrade	0	434,000
Padmount Switchgear Replacement Program	0	460,000
Pearl - Cushman Line Upgrade Phase 2	3,300,000	4,716,000
Potlatch System, New Ring Bus Switchyard	4,827,000	0
Puyallup Ave Bridge Replacement	10,000	0
South Service Area Feeder Enhancements	0	552,000
SW-Pearl #1 Line Relocation	497,000	0
Transmission Line Uprating	806,000	1,303,000
Transmission Switch Replacement	300,000	0
Vactor Truck Decant & Soil Containment	0	1,188,000
Work Management Software Implementation	400,000	0

**Transmission & Distribution A & R**

Cable Replacement Program	4,500,000	3,800,000
Central Business District	371,000	800,000
Distribution Transformer Purchase	3,700,000	2,900,000
HFC Infill Construction	1,824,000	1,594,000



<b>TACOMA POWER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>
HFC Road Projects	575,000	498,000
Meters and Devices	1,250,000	1,250,000
NERC/WECC Compliance	280,000	200,000
New Services	1,800,000	2,000,000
Overhead Distribution	1,700,000	2,000,000
Pole Replacement Program	7,650,000	8,000,000
Protection & Controls	1,365,000	1,303,000
Rental Light	300,000	870,000
Road Related (City, County & State)	6,475,000	4,000,000
Substation	2,095,000	2,115,000
T & D Tools and Equipment	10,000	180,000
Transmission	400,000	1,200,000
Underground Distribution	550,000	550,000
<b>Transmission &amp; Distribution Total</b>	<b>\$59,180,000</b>	<b>\$52,391,000</b>

#### **Utility Technology Services Capital Projects**

AMI	\$0	\$3,545,000
Compliance Tracking Tool Project	387,000	0
Customer Outage Communications	403,000	0
Cybersecurity Managed Security Service Provider	0	464,000
Digital Microwave Modernization Loop 1	5,800,000	5,130,000
Digital Mobile Radio	3,235,000	2,422,500
Drawing Management Solution	0	278,000
EMS Replacement, Planning & RFP	200,000	0
EMS Replacement - Part 2 (Implementation)	2,250,000	6,630,000
ESRI GIS Data Replication	0	267,500
IT Asset Management	631,000	427,000
IT Service Management	0	670,000
IVR Ph 2A - Technical Upgrade & 2B - Functional Upgrade	0	793,000
Meter Data Operations Improve & AMI 2.0	1,350,000	0
Mobile Solution Replacement/Upgrade	1,500,000	0
Mobile Workforce Mgmt Roadmap & Tech Solution	0	1,312,500
Multi-Service Request System Implement	636,000	0
Natural Resources Operational Analytics	0	505,000
Outage Management System Upgrade (D/OMS)	150,000	0
Power Generation Cybersecurity Controls Implementation	0	263,500
Power Management Technology Upgrades	0	1,820,000
Service Oriented Architecture (SOA)	1,750,000	0
Technology Contingency	0	2,253,000
TPU Business LAN VM Expansion	825,000	0
TPU Main Campus Data Center	2,000,000	1,615,000
TPU Network Backbone Modernization Phase 2	300,000	275,000
TPU Voice Comm System Tech Refresh & Impr Ph 1	0	252,000
TPU Voice Comm System Tech Refresh & Impr Ph 2	0	119,000
TPU Voice Comm System Tech Refresh & Impr Ph 3	0	200,000
TPU Voice Comm System Tech Refresh & Impr Ph 4	0	24,000
TPU Voice Comm System Tech Refresh & Impr Ph 5	0	242,000

<b>TACOMA POWER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Utility Technology Services A & R**

Communications	660,000	1,098,000
Cybersecurity	0	549,000
Energy Management System	300,000	304,000
System Management	250,000	493,000
<b>Utility Technology Services Total</b>	<b>\$22,627,000</b>	<b>\$31,952,000</b>

<b>Total Capital Outlay</b>	<b>\$182,660,440</b>	<b>\$190,474,000</b>
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**TACOMA WATER**

**TACOMA PUBLIC UTILITIES**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>TACOMA WATER</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Operating Revenue			
Water Sales	\$133,814,554	\$135,112,165	\$145,440,571
Anticipated Additional Revenue	0	7,541,662	7,872,671
Other Operating Revenue	13,871,796	13,921,154	14,145,816
<b>Total Operating Revenue</b>	<b>147,686,350</b>	<b>156,574,981</b>	<b>167,459,058</b>
Non-Operating Revenue			
Interest	1,104,098	526,807	600,000
BABS Interest Federal Subsidy	5,493,067	5,516,848	5,540,624
Miscellaneous	181,678	120,000	90,000
Transfers from other Funds:			
Capital Reserve Fund	0	6,222,588	8,010,973
System Development Fund	6,982,881	0	0
Appropriation from Fund Balance	0	4,821,591	9,863,115
<b>Total Revenue &amp; Available Funds</b>	<b>\$161,448,074</b>	<b>\$173,782,815</b>	<b>\$191,563,770</b>

### **EXPENDITURES**

Personnel Costs	\$39,282,323	\$50,226,810	\$54,522,063
Supplies, Services & Other Charges	37,392,372	49,196,622	53,274,970
Taxes - Current Revenue Estimate	19,811,145	19,782,366	21,643,155
Taxes - Anticipated Additional Revenue	0	1,049,111	1,099,631
Debt Service	47,373,439	47,305,318	53,012,978
Capital Outlay	0	6,222,588	8,010,973
<b>Total Expenditures</b>	<b>\$143,859,279</b>	<b>\$173,782,815</b>	<b>\$191,563,770</b>

### **CAPITAL OUTLAY FINANCING DETAIL**

Funded from Operating Fund		\$6,222,588	\$8,010,973
Funded from Existing Bonds		26,637,424	40,040,521
<b>Total Capital Outlay</b>		<b>\$32,860,012</b>	<b>\$48,051,494</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>247.0 / 249.5</b>	<b>256.2 / 256.2</b>	<b>272.5 / 274.5</b>
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Prior years may have been reclassified or restated to reflect organizational changes.

<b>TACOMA WATER</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE SUMMARY**

Water Sales	\$133,814,554	\$135,112,165	\$145,440,571
Anticipated Additional Revenue	0	7,541,662	7,872,671
Other Operating Revenue	13,871,796	13,921,154	14,145,816
<b>Total Operating Revenue</b>	<b>147,686,350</b>	<b>156,574,981</b>	<b>167,459,058</b>
Non-Operating Revenue	13,761,724	12,386,243	14,241,597
Appropriation from Fund Balance	0	4,821,591	9,863,115
<b>Total Revenue &amp; Available Funds</b>	<b>\$161,448,074</b>	<b>\$173,782,815</b>	<b>\$191,563,770</b>

### **REVENUE DETAIL**

#### **Water Sales**

Residential	\$85,453,419	\$86,279,595	\$94,234,074
Paper Mills (WestRock)	11,044,202	11,111,495	12,562,228
Wholesale	7,237,725	7,371,500	4,228,737
Other Water Sales	30,079,208	30,349,575	34,415,532
	133,814,554	135,112,165	145,440,571
Anticipated Additional Revenue	0	7,541,662	7,872,671
<b>Total Water Sales</b>	<b>133,814,554</b>	<b>142,653,827</b>	<b>153,313,242</b>
Cascade Water Alliance	5,684,304	5,493,628	5,278,268
Public Fire Protection	5,140,070	5,966,473	6,442,965
Miscellaneous Water Revenue	3,047,422	2,461,053	2,424,583
<b>Total Other Operating Revenue</b>	<b>13,871,796</b>	<b>13,921,154</b>	<b>14,145,816</b>
<b>Total Operating Revenue</b>	<b>147,686,350</b>	<b>156,574,981</b>	<b>167,459,058</b>
<b>Other Income</b>			
Interest	1,104,098	526,807	600,000
BABS Interest Federal Subsidy	5,493,067	5,516,848	5,540,624
Miscellaneous	181,678	120,000	90,000
Transfers from Other Funds:			
Capital Reserve Fund	0	6,222,588	8,010,973
System Development Fund	6,982,881	0	0
<b>Total Non-Operating Revenue</b>	<b>13,761,724</b>	<b>12,386,243</b>	<b>14,241,597</b>
Appropriation from Fund Balance	0	4,821,591	9,863,115
<b>Total Revenue &amp; Available Funds</b>	<b>\$161,448,074</b>	<b>\$173,782,815</b>	<b>\$191,563,770</b>

<b>TACOMA WATER</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Section**

Water Administration	\$46,256,933	\$52,714,039	\$54,140,281
Distribution Engineering	3,797,813	5,634,810	7,164,471
Distribution Operations	17,058,108	21,276,501	22,491,158
Quality	8,809,862	14,083,157	14,654,658
Supply	15,424,357	19,055,412	21,354,696
Asset and Information Management	3,843,387	5,639,363	8,158,758
Rates and Financial Planning	1,295,380	1,851,627	2,575,797

<b>Total for Division</b>	<b>\$96,485,840</b>	<b>\$120,254,909</b>	<b>\$130,539,819</b>
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**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$40,067,448	\$44,511,149	\$46,316,908
Employee Benefits	15,795,977	18,024,429	19,368,085
Capital Credit & Labor To/From Others	(16,581,101)	(12,308,768)	(11,162,930)
<b>Total Personnel Costs</b>	<b>39,282,323</b>	<b>50,226,810</b>	<b>54,522,063</b>
Supplies	11,992,496	15,815,810	13,970,211
Services	7,624,605	10,987,667	15,485,414
Other Charges	(71,904)	2,878,490	2,876,580
Assessments	17,847,175	19,514,655	20,942,765
Taxes	19,811,145	20,831,477	22,742,786

<b>Total for Division</b>	<b>\$96,485,840</b>	<b>\$120,254,909</b>	<b>\$130,539,819</b>
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<b>TACOMA WATER Taxes</b>	<b>2013-14 Biennium Actual</b>	<b>2015-16 Biennium Budget</b>	<b>2017-18 Biennium Budget</b>
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**TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax (8.0%)	\$12,112,829	\$11,898,245	\$12,759,190
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State of Washington:

Utility & Business Taxes	6,389,266	6,790,251	7,562,879
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Other*	1,309,050	1,093,870	1,321,086
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Subtotal	<b>19,811,145</b>	<b>19,782,366</b>	<b>21,643,155</b>
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Anticipated Additional Revenue\*\*

Gross Earnings Tax (8.0%)		603,334	675,190
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Utility & Business Taxes		379,270	424,441
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Other*		66,507	0
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		1,049,111	1,099,631
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Total City and Utility Tax	<b>19,811,145</b>	<b>20,831,477</b>	<b>22,742,786</b>
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Federal Taxes (FICA)	2,948,869	3,134,461	3,411,093
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<b>Total Tacoma Water Taxes</b>	<b>\$22,760,014</b>	<b>\$23,965,938</b>	<b>\$26,153,879</b>
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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.



<b>TACOMA WATER</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **DEBT SERVICE SUMMARY**

Interest	\$29,074,526	\$29,000,232	\$30,078,523
Principal	18,298,913	18,305,086	22,934,455
<b>Total Debt Service</b>	<b>\$47,373,439</b>	<b>\$47,305,318</b>	<b>\$53,012,978</b>

### **DEBT SERVICE DETAIL**

#### **BONDS**

2003 Bonds	Interest	\$516,727	\$0	\$0
\$26,930,000	Principal	0	0	0
2005 Bonds	Interest	3,295,163	2,558,912	500
\$5,000 remaining after refund	Principal	6,120,000	8,858,750	0
2009 Build America Bonds	Interest	8,883,656	8,830,661	8,830,661
\$76,775,000				
2010 Refunding of 2001 Bonds	Interest	2,410,808	2,413,575	2,349,300
\$26,395,000	Principal	1,080,000	1,111,250	4,505,000
2010 Build America Bonds	Interest	8,154,705	8,154,705	8,154,705
\$74,985,000				
2013 Refunding of 2003 Bonds	Interest	4,971,795	5,948,400	5,948,400
\$74,355,000	Principal	3,950,000	0	0
2015 Refunding Bonds	Interest	0	0	1,485,128
\$18,430,000	Principal	0	0	6,090,000

#### **LOANS**

Public Works Trust Fund Loans	Interest	306,292	294,499	240,564
\$50,000,000	Principal	4,934,891	5,393,541	5,393,541
State Drinking Water Fund Loans	Interest	535,382	799,480	3,069,266
\$85,918,885	Principal	2,214,022	2,941,545	6,945,914

<b>Total Debt Service</b>	<b>\$47,373,439</b>	<b>\$47,305,318</b>	<b>\$53,012,978</b>
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<b>TACOMA WATER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **SUMMARY**

General Plant	\$3,558,160	\$5,111,724
Water Distribution	20,989,107	27,935,816
Water Quality	2,359,329	5,301,255
Water Supply	5,953,416	9,702,699

<b>Sub-Total</b>	<b>\$32,860,012</b>	<b>\$48,051,494</b>
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Projects Funded from Existing Bonds	(26,637,424)	(40,040,521)
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<b>Total Operating Fund Capital Outlay</b>	<b>\$6,222,588</b>	<b>\$8,010,973</b>
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### **General Plant**

UTS Projects	\$1,488,970	\$2,770,107
Advanced Meter Infrastructure (AMI)	50,000	1,181,617
Fleet in-Service for all of Water	287,170	0
Land Acquisition and Strategy	0	500,000
HVAC Units	80,000	0
Pole Building	20,000	0
Customer Service Division Projects	972,020	0
Unanticipated Capital & Plant/Equipment Failure Contingency	660,000	660,000
<b>General Plant Total</b>	<b>\$3,558,160</b>	<b>\$5,111,724</b>

### **Water Distribution**

FRP: Franchise Required Projects	\$553,750	\$200,000
Projects of Opportunity (Prop 3 and Prop A)	0	200,000
WDP: Water Division Projects	2,948,950	716,602
WDP: Tehaleh Main Extension	0	1,038,996
MRP: Main Replacement Projects	6,936,000	9,755,190
MRP: Galvanized Main Replacement Projects	0	1,292,108
Main Retirements	80,000	155,638
Ground Penetrating Radar Equipment	0	18,000
Leak Detection Equipment	0	59,000
TPU Decant Facility	0	1,162,287
LID/Contract Contributions	200,000	200,000
Curran Road System Acquisition	0	1,000,000
Lead Gooseneck Replacement Program	0	5,200,000
Hydrant Installation and Replacement	0	721,933
Water Service Renewal and Replacement	3,392,331	4,253,590
Valve Installation and Replacement	0	615,487
Capital Meter Replacements	400,000	700,000

<b>TACOMA WATER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

Meter Upgrade Project	4,421,005	300,000
Blowoff Installation and Replacement	327,392	346,985
Hydrant and Valve Installation and Replacement	1,598,780	0
Distribution Office Security Reconfiguration	30,899	0
Distribution Tools	100,000	0
<b>Water Distribution Total</b>	<b>\$20,989,107</b>	<b>\$27,935,816</b>

### **Water Quality**

Water Quality Tools and Equipment	\$0	\$200,000
Palmer Area Improvements	0	200,000
Corrosion Control GPL Wells	0	2,000,000
Pipeline 4 Swan Creek Crossing	0	700,000
MIT Kapowsin Remediation	0	600,000
Built Forestland Assets	0	75,000
Dedicated Distribution System Sample Stations	74,400	96,000
Portable Sample Stations	0	50,000
Muckleshoot Agreement	500,000	500,000
Palmer Pump Station	300,000	0
Enhanced System Monitoring (Prairie Springs)	170,000	0
Land Acquisition and Strategy	500,000	0
Various Equipment	200,000	0
1st Diversion:		
Watershed Tools and Equipment	0	43,452
Watershed Betterments	98,202	94,292
Major Treatment and Equipment	58,226	108,631
North Fork Wells Control Valves	0	275,556
North Fork 7 Motor	0	133,333
Connection to USACE Early Warning System at HDD	0	16,946
HCP Culvert Replacement	272,818	37,778
Smay Creek Forest Road Crossing	0	170,267
North Fork Wells 2-6 MCC Replacement	185,683	0
<b>Water Quality Total</b>	<b>\$2,359,329</b>	<b>\$5,301,255</b>

### **Water Supply**

Cathodic Protection	\$0	\$500,000
Emergency Intertie with LUD at 356th Pump Station	0	100,000
Hood Street Facilities Seismic Improvements	0	414,180
Replace and Improve Wells	288,000	650,000
SCADA Systems - Intrusion Alarm Security Improvements	0	75,000

<b>TACOMA WATER</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>
STPS Building Seismic Improvements	0	151,576
Supply System Improvements	460,000	450,000
Replace/Improve Large Valves	230,000	300,000
Water Distribution Operations Building Seismic Improvement	0	175,500
Demo of McMillin Building/Standpipe	110,000	121,787
West McDonald Ridge Permanent Power	485,000	84,494
Meter Installation Project	250,000	237,000
Supply Tools	50,000	50,000
Replace PL1 at Puyallup River (Phase II)	0	5,723,162
Pipeline 1 at Deep Creek	0	670,000
Corrosion Control Projects	516,051	0
Communication Systems	200,000	0
SCADA Systems	200,000	0
Transmission Main Renew and Replacements	3,164,365	0
<b>Supply Total</b>	<b>\$5,953,416</b>	<b>\$9,702,699</b>
<b>Total Capital Outlay</b>	<b>\$32,860,012</b>	<b>\$48,051,494</b>

**TACOMA RAIL**

**TACOMA PUBLIC UTILITIES**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>TACOMA RAIL</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Switching Revenue	\$53,303,770	\$59,318,343	\$60,027,884
Miscellaneous Revenue	3,096,929	3,682,029	4,251,312
<b>Total Operating Revenue</b>	<b>56,400,699</b>	<b>63,000,372</b>	<b>64,279,196</b>
Other Income	2,115,863	2,642,885	2,364,000

<b>Total Revenue &amp; Available Funds</b>	<b>\$58,516,562</b>	<b>\$65,643,257</b>	<b>\$66,643,196</b>
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### **EXPENDITURES**

Personnel Costs	\$25,989,870	\$30,931,089	\$31,543,815
Supplies, Services & Other Charges	18,762,833	20,952,432	22,705,310
Taxes	5,548,312	6,361,000	6,295,643
Debt Service	912,817	1,431,736	1,799,885
Capital Outlay	3,138,658	5,967,000	4,298,543

<b>Total Expenditures</b>	<b>\$54,352,490</b>	<b>\$65,643,257</b>	<b>\$66,643,196</b>
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### **CAPITAL OUTLAY FINANCING DETAIL**

Funded from Operating Fund		\$5,967,000	\$4,298,543
Funded from Anticipated Bank Loan Proceeds/Grants		4,591,000	1,361,457

<b>Total Capital Outlay</b>		<b>\$10,558,000</b>	<b>\$5,660,000</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>101.0 / 101.0</b>	<b>121.0 / 122.0</b>	<b>118.0 / 118.0</b>
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<b>TACOMA RAIL</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE SUMMARY**

Switching Revenue	\$53,303,770	\$59,318,343	\$60,027,884
Miscellaneous Revenue	3,096,929	3,682,029	4,251,312
<b>Total Operating Revenue</b>	<b>56,400,699</b>	<b>63,000,372</b>	<b>64,279,196</b>
Other Income	2,115,863	2,642,885	2,364,000

<b>Total Revenue &amp; Available Funds</b>	<b>\$58,516,562</b>	<b>\$65,643,257</b>	<b>\$66,643,196</b>
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### **REVENUE DETAIL**

#### **Switching Revenue**

Line Hauls & Local	\$50,669,530	\$57,170,343	\$57,727,884
Demurrage	2,634,240	2,148,000	2,300,000
<b>Total Switching Revenue</b>	<b>53,303,770</b>	<b>59,318,343</b>	<b>60,027,884</b>

Locomotive Servicing	1,797,991	2,723,229	3,729,312
Miscellaneous Revenue	1,298,938	958,800	522,000
<b>Total Miscellaneous Revenue</b>	<b>3,096,929</b>	<b>3,682,029</b>	<b>4,251,312</b>

<b>Total Operating Revenue</b>	<b>56,400,699</b>	<b>63,000,372</b>	<b>64,279,196</b>
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#### **Other Income**

Rent & Other Income	1,984,452	2,006,760	2,160,000
Interest Income	131,411	187,200	204,000
<b>Total Non-Operating Revenue</b>	<b>2,115,863</b>	<b>2,193,960</b>	<b>2,364,000</b>

Appropriation from Fund Balance	0	448,925	0
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<b>Total Revenue &amp; Available Funds</b>	<b>\$58,516,562</b>	<b>\$65,643,257</b>	<b>\$66,643,196</b>
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<b>TACOMA RAIL</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Section**

Rail Administration	\$17,196,636	\$20,079,293	\$21,662,977
Operations	20,440,632	23,408,123	23,091,658
Mechanical	7,626,431	9,808,725	10,349,435
Construction	5,037,316	4,948,380	5,440,698

<b>Total for Division</b>	<b>\$50,301,015</b>	<b>\$58,244,521</b>	<b>\$60,544,768</b>
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**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$19,269,197	\$22,722,214	\$23,205,388
Employee Benefits	7,708,735	9,286,998	9,692,927
Capital Credit & Labor To/From Others	(988,062)	(1,078,123)	(1,354,500)
<b>Total Personnel Costs</b>	<b>25,989,870</b>	<b>30,931,089</b>	<b>31,543,815</b>
Supplies	2,364,658	2,378,668	2,873,441
Services	7,941,874	7,180,765	7,748,242
Other Charges	6,250,209	8,182,696	8,705,421
Assessments	2,206,092	3,210,303	3,378,206
Taxes	5,548,312	6,361,000	6,295,643

<b>Total for Division</b>	<b>\$50,301,015</b>	<b>\$58,244,521</b>	<b>\$60,544,768</b>
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<b>TACOMA RAIL Taxes</b>	<b>2013-14 Biennium Actual</b>	<b>2015-16 Biennium Budget</b>	<b>2017-18 Biennium Budget</b>
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**TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax (8.0%)	\$4,681,155	\$5,227,000	\$5,331,455
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State of Washington:

Utility & Business Tax	867,157	1,134,000	964,188
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Subtotal	<b>5,548,312</b>	<b>6,361,000</b>	<b>6,295,643</b>
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Federal Railroad Taxes	3,570,654	3,945,162	4,051,175
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<b>Total Tacoma Rail Taxes</b>	<b>\$9,118,966</b>	<b>\$10,306,162</b>	<b>\$10,346,818</b>
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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.

<b>TACOMA RAIL</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**DEBT SERVICE SUMMARY**

Interest	\$80,035	\$30,214	\$866
Principal	832,782	1,401,522	1,799,019

<b>Total Debt Service</b>	<b>\$912,817</b>	<b>\$1,431,736</b>	<b>\$1,799,885</b>
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**DEBT SERVICE DETAIL**

Revenue Bond - \$2,000,000	Interest	\$80,035	\$30,214	\$866
	Principal	581,728	490,617	64,238
Rail Bank Loans - \$9,137,895	Principal	251,054	910,905	1,734,781

<b>Total Debt Service</b>	<b>\$912,817</b>	<b>\$1,431,736</b>	<b>\$1,799,885</b>
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<b>TACOMA RAIL</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **SUMMARY**

General Plant	\$20,000	\$0
Communications	500,000	235,000
Facility Upgrades	1,100,000	1,025,000
Rail Equipment/Vehicles	2,665,000	1,000,000
Track Improvements	6,273,000	3,400,000

<b>Sub-Total</b>	<b>\$10,558,000</b>	<b>\$5,660,000</b>
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US Oil Pledge	(\$235,000)	\$0
Projects Funded from Grants	(803,000)	(400,000)
Projects Funded from Rail Bank Loan Proceeds	(1,553,000)	(311,457)
Projects Funded from Anticipated Bank Loan Proceeds	(2,000,000)	(650,000)

<b>Total Operating Fund Capital Outlay</b>	<b>\$5,967,000</b>	<b>\$4,298,543</b>
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### **General Plant**

Technology Upgrade	\$20,000	\$0
<b>General Plant Total</b>	<b>\$20,000</b>	<b>\$0</b>

### **Communications**

Radio Repeater Upgrades	\$150,000	\$150,000
GPS and Cameras for Locomotives	0	\$85,000
PTC - Onboard Locomotive Equipment	350,000	0
<b>Communications Total</b>	<b>\$500,000</b>	<b>\$235,000</b>

### **Facility Upgrades**

Security	\$100,000	\$0
Locomotive Shop Pit	1,000,000	0
Admin Building Window Replacement	0	25,000
West End Track Pan Replacement	0	100,000
ITS Project	0	300,000
Stormwater Treatment and Filtration	0	100,000
Secondary Fueling Upgrades	0	500,000
<b>Facility Upgrades Total</b>	<b>\$1,100,000</b>	<b>\$1,025,000</b>

<b>TACOMA RAIL</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **Rail Equipment/Vehicles**

Repower/Replace TMBL 2006	\$1,505,000	\$0
Locomotive Repower	500,000	1,000,000
Ballast Regulator	350,000	0
High Rail Excavator	250,000	0
Trucks & Equipment	60,000	0
<b>Rail Equipment/Vehicles Total</b>	<b>\$2,665,000</b>	<b>\$1,000,000</b>

### **Track Improvement Projects**

Tidelands Infrastructure Improvements	\$500,000	\$1,000,000
Taylor Wye and Hylebos Creek Bridge Relay	357,000	525,000
Port Road Main Rail Relay	0	505,000
South Lead Rail Relay	0	200,000
Kia Siding Rail Relay	0	270,000
Buffelen Curve Rehabilitation	0	420,000
Switch Replacements	0	480,000
Loop Track Upgrade (Concrete Tech)	645,000	0
Alexander Wye Crossings	120,000	0
SR 509 Track Rebuild Project	1,300,000	0
Track 13 Rail Relay	535,000	0
West Lead High Side	537,000	0
West Lead Low Side	684,000	0
East Lead Low Side	673,000	0
Port of Tacoma Road Crossings	354,000	0
Transfer Yard Connection	343,000	0
Edwards Crossover	225,000	0
<b>Track Improvement Projects Total</b>	<b>\$6,273,000</b>	<b>\$3,400,000</b>

<b>Total Capital Outlay</b>	<b>\$10,558,000</b>	<b>\$5,660,000</b>
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**FLEET SERVICES FUND**

**TACOMA PUBLIC UTILITIES**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>FLEET SERVICES</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Replacement Fees	\$6,063,140	\$9,344,312	\$14,265,897
Administrative Overhead	2,082,579	1,831,173	2,745,393
Fees for Services	4,572,906	7,091,036	7,623,786
<b>Total Operating Revenue</b>	<b>12,718,625</b>	<b>18,266,521</b>	<b>24,635,076</b>
Other Income	737,965	125,000	125,000
Appropriation from Fund Balance	0	15,025,463	0

<b>Total Revenue &amp; Available Funds</b>	<b>\$13,456,590</b>	<b>\$33,416,984</b>	<b>\$24,760,076</b>
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### **EXPENDITURES**

Personnel Costs	\$5,739,456	\$5,847,034	\$6,643,452
Supplies	298,698	190,013	198,744
Services	607,887	1,060,991	704,178
Other Charges	709,420	673,480	2,426,589
Assessments	1,561,140	1,303,466	1,369,113
<b>Total Operations &amp; Maintenance</b>	<b>8,916,600</b>	<b>9,074,984</b>	<b>11,342,076</b>
<b>Capital Outlay</b>	<b>6,877,989</b>	<b>24,342,000</b>	<b>13,418,000</b>

<b>Total Expenditures</b>	<b>\$15,794,589</b>	<b>\$33,416,984</b>	<b>\$24,760,076</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>30.0 / 30.0</b>	<b>29.5 / 29.5</b>	<b>29.0 / 29.0</b>
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**SELF-INSURANCE FUND**

**TACOMA PUBLIC UTILITIES**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>SELF-INSURANCE CLAIM FUND</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Sources of Revenue

Transfers - Tacoma Power	\$1,620,008	\$1,800,000	\$1,400,000
Transfers - Tacoma Water	360,000	480,000	480,000
Transfers - Tacoma Rail	100,000	200,000	200,000
Interest	102,432	100,000	120,000
Appropriation from Fund Balance	0	658,211	1,562,254

<b>Total Revenue &amp; Available Funds</b>	<b>\$2,182,440</b>	<b>\$3,238,211</b>	<b>\$3,762,254</b>
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### **EXPENDITURES**

Secondary Labor Costs	\$0	\$0	\$0
Supplies	430	500	2,500
Services	274,493	1,000,000	1,500,000
Other Charges	712,911	2,000,200	2,003,100
Assessments	265,537	237,511	256,654

<b>Total Expenditures</b>	<b>\$1,253,371</b>	<b>\$3,238,211</b>	<b>\$3,762,254</b>
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**FAMILY NEED FUND**

**TACOMA PUBLIC UTILITIES**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>FAMILY NEED FUND</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**RECEIPTS**

Public Contributions	\$46,741	\$0	\$0
Tacoma Power Contribution	1,800,000	960,000	200,000
Interest	15,586	0	0
Appropriation from Fund Balance	0	1,020,000	1,800,000

<b>Total Receipts</b>	<b>\$1,862,327</b>	<b>\$1,980,000</b>	<b>\$2,000,000</b>
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**EXPENDITURES**

Family Need	\$792,618	\$1,980,000	\$2,000,000
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<b>Total Expenditures</b>	<b>\$792,618</b>	<b>\$1,980,000</b>	<b>\$2,000,000</b>
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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**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>TPU ADMINISTRATION</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$6,095,965	\$7,236,121	\$8,787,916
Employee Benefits	2,114,192	2,681,327	3,197,102
Capital Credit & Labor To/From Others	26,413	25,000	(195,000)
<b>Total Personnel Costs</b>	<b>8,236,571</b>	<b>9,942,448</b>	<b>11,790,018</b>
Supplies	297,326	335,644	348,434
Services	1,830,297	2,383,507	2,900,352
Other Charges	1,355,729	1,866,567	1,969,443
Assessments	394,724	492,499	657,989

<b>Total for TPU Administration</b>	<b>\$12,114,646</b>	<b>\$15,020,665</b>	<b>\$17,666,236</b>
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**Director & Board (575100)**

Salaries & Wages	\$854,132	\$927,375	\$1,070,149
Employee Benefits	277,929	314,850	339,126
Capital Credit & Labor To/From Others	25,528	25,000	35,000
<b>Total Personnel Costs</b>	<b>1,157,589</b>	<b>1,267,225</b>	<b>1,444,275</b>
Supplies	49,730	56,690	87,186
Services	476,424	504,000	503,000
Other Charges	355,643	688,199	621,686
Assessments	56,688	68,645	86,658
<b>Total</b>	<b>\$2,096,073</b>	<b>\$2,584,759</b>	<b>\$2,742,805</b>

**Management Services Office (575200)**

Salaries & Wages	\$1,541,965	\$1,794,915	\$2,094,841
Employee Benefits	534,506	669,140	785,958
Capital Credit & Labor To/From Others	0	0	0
<b>Total Personnel Costs</b>	<b>2,076,470</b>	<b>2,464,055</b>	<b>2,880,799</b>
Supplies	30,201	31,852	42,580
Services	187,217	63,260	197,500
Other Charges	128,376	169,561	184,346
Assessments	79,822	118,010	171,327
<b>Total</b>	<b>\$2,502,087</b>	<b>\$2,846,738</b>	<b>\$3,476,552</b>

<b>TPU ADMINISTRATION</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### Community & Government Affairs (575701)

Salaries & Wages	\$954,790	\$1,191,483	\$1,835,502
Employee Benefits	268,686	383,157	575,118
Capital Credit & Labor To/From Others	0	0	0
<b>Total Personnel Costs</b>	<b>1,223,476</b>	<b>1,574,640</b>	<b>2,410,621</b>
Supplies	25,389	28,049	39,351
Services	352,730	529,672	586,500
Other Charges	128,381	146,912	204,129
Assessments	16,374	47,873	75,415
<b>Total</b>	<b>\$1,746,349</b>	<b>\$2,327,146</b>	<b>\$3,316,015</b>

### Market Development & Communications (572000)

Salaries & Wages	\$611,730	\$761,985	\$1,748,133
Employee Benefits	188,191	259,331	594,610
Capital Credit & Labor To/From Others	0	0	0
<b>Total Personnel Costs</b>	<b>799,921</b>	<b>1,021,316</b>	<b>2,342,743</b>
Supplies	17,562	19,584	19,594
Services	296,881	634,240	851,000
Other Charges	45,748	44,542	211,559
Assessments	52,603	34,248	79,389
<b>Total</b>	<b>\$1,212,715</b>	<b>\$1,753,930</b>	<b>\$3,504,285</b>

### Account Executives (572100)

Salaries & Wages	\$518,720	\$587,044	\$601,470
Employee Benefits	199,748	225,577	233,382
Capital Credit & Labor To/From Others	3,283	0	0
<b>Total Personnel Costs</b>	<b>721,750</b>	<b>812,621</b>	<b>834,852</b>
Supplies	18,234	15,984	11,829
Services	49,046	56,758	98,408
Other Charges	43,153	62,949	48,170
Assessments	45,933	45,507	53,022
<b>Total</b>	<b>\$878,116</b>	<b>\$993,819</b>	<b>\$1,046,280</b>

<b>TPU ADMINISTRATION</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Community & Media Services (575700)**

Salaries & Wages	\$1,614,629	\$1,973,319	\$1,437,821
Employee Benefits	645,133	829,272	668,908
Capital Credit & Labor To/From Others	(2,398)	0	(230,000)
<b>Total Personnel Costs</b>	<b>2,257,364</b>	<b>2,802,591</b>	<b>1,876,729</b>
Supplies	156,211	183,485	147,894
Services	467,998	595,577	663,944
Other Charges	654,427	754,404	699,553
Assessments	143,305	178,216	192,178
<b>Total</b>	<b>\$3,679,306</b>	<b>\$4,514,273</b>	<b>\$3,580,298</b>

<b>Total for TPU Administration</b>	<b>\$12,114,646</b>	<b>\$15,020,665</b>	<b>\$17,666,236</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>30.1 / 30.1</b>	<b>33.75 / 33.75</b>	<b>38.0 / 38.0</b>
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<b>TPU SUPPORT SERVICES</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

**TPU Real Property Services (576800)**

Salaries & Wages	\$105,801	\$1,177,957	\$1,254,010
Employee Benefits	55,319	515,259	534,527
Capital Credit & Labor To/From Others	1,296,295	0	0
<b>Total Personnel Costs</b>	<b>1,457,415</b>	<b>1,693,216</b>	<b>1,788,537</b>
Supplies	21,690	24,932	22,901
Services	2,833	8,500	15,000
Other Charges	146,168	157,609	170,845
Assessments	48,308	54,363	78,711

<b>Total for TPU Real Property Services</b>	<b>\$1,676,413</b>	<b>\$1,938,620</b>	<b>\$2,075,994</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>7.07 / 7.07</b>	<b>7.12 / 7.12</b>	<b>7.12 / 7.12</b>
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**SUMMARY - Operation & Maintenance by Category**

**TPU IT Dedicated Resources (575900)**

Salaries & Wages	\$1,708,203	\$1,720,084	\$2,063,560
Employee Benefits	614,303	664,621	826,506
Capital Credit & Labor To/From Others	0	0	0
<b>Total Personnel Costs</b>	<b>2,322,506</b>	<b>2,384,705</b>	<b>2,890,066</b>
Supplies	0	17,541	16,809
Services	0	0	0
Other Charges	0	0	0
Assessments	38,136	141,383	218,721

<b>Total for TPU IT Dedicated Resources</b>	<b>\$2,360,642</b>	<b>\$2,543,629</b>	<b>\$3,125,597</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>9.0 / 9.0</b>	<b>9.0 / 9.0</b>	<b>11.0 / 11.0</b>
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<b>TPU SUPPORT SERVICES</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

**TPU UTS Software & Desktop Support (579800)**

Salaries & Wages	\$1,517,624	\$1,075,360	\$1,255,249
Employee Benefits	511,513	400,540	418,924
Capital Credit & Labor To/From Others	(60,419)	(327,500)	(106,200)
<b>Total Personnel Costs</b>	<b>1,968,717</b>	<b>1,148,400</b>	<b>1,567,973</b>
Supplies	277,036	143,143	29,665
Services	123,789	484,447	710,620
Other Charges	485,040	447,408	525,712
Assessments	171,162	174,911	0

<b>Total for UTS Software &amp; Desktop Support</b>	<b>\$3,025,745</b>	<b>\$2,398,309</b>	<b>\$2,833,970</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>8.0 / 8.0</b>	<b>5.0 / 5.0</b>	<b>5.0 / 5.0</b>
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**SUMMARY - Operation & Maintenance by Category**

**Copier Services (577400)**

Salaries & Wages	\$106,046	\$29,529	\$0
Employee Benefits	47,620	15,326	0
Capital Credit & Labor To/From Others	0	0	60,000
<b>Total Personnel Costs</b>	<b>153,666</b>	<b>44,855</b>	<b>60,000</b>
Supplies	93,901	83,594	95,000
Services	150,851	240,000	276,000
Other Charges	354,690	453,465	462,770
Assessments	3,426	1,774	0

<b>Total for Copier Services</b>	<b>\$756,535</b>	<b>\$823,688</b>	<b>\$893,770</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>0.9 / 0.9</b>	<b>0.25 / 0.25</b>	<b>0.0 / 0.0</b>
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**CUSTOMER SERVICES DIVISION**

**TACOMA PUBLIC UTILITIES**

**2017/2018**

**PRELIMINARY BIENNIUM BUDGET**

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<b>CUSTOMER SERVICES</b>	<b>2013-14</b>	<b>2015-16</b>	<b>2017-18</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$18,289,895	\$20,595,187	\$20,917,991
Employee Benefits	7,993,289	9,448,547	9,549,165
Capital Credit & Labor To/From Others	(247,137)	(632,695)	(530,900)
<b>Total Personnel Costs</b>	<b>26,036,047</b>	<b>29,411,039</b>	<b>29,936,256</b>
Supplies	783,264	956,060	1,019,565
Services	1,736,975	1,549,402	1,779,767
Other Charges	2,860,840	3,375,729	3,862,015
Assessments	2,938,957	3,529,504	3,829,165
<b>Total Operation &amp; Maintenance</b>	<b>34,356,083</b>	<b>38,821,734</b>	<b>40,426,768</b>
<b>Capital Outlay</b>	<b>2,214,220</b>	<b>4,580,000</b>	<b>2,835,000</b>

<b>Total for Customer Services</b>	<b>\$36,570,303</b>	<b>\$43,401,734</b>	<b>\$43,261,768</b>
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**SUMMARY - Operation & Maintenance by Cost Center**

**Customer Services Administration**

579500 TPU CS Support Services	\$1,011,933	\$1,076,995	\$1,116,626
579600 TPU CS Switchboard	124,338	174,965	187,764
579700 TPU CS Administration	4,024,732	5,307,797	4,680,372

**Customer Services Performance Solutions**

578800 TPU CS Performance Solutions	0	0	1,963,214
577100 TPU CS Training	711,502	578,839	952,603

**Customer Services Operations**

578900 TPU CS Operations Admin	758,957	1,056,779	1,405,904
579100 TPU CS Mail Svcs	2,985,981	3,305,904	3,302,409
579200 TPU CS Field Investigation	4,302,857	4,118,501	4,259,012
579300 TPU TMB Mail Services	588,532	639,490	636,691
579400 TPU CS Meter Reading	3,529,066	3,882,638	3,570,666

**Customer Services Business Office**

572400 TPU CS PayGo	466,020	450,718	549,455
572500 TPU CS Customer Solutions	1,123,801	998,368	937,266
577200 TPU CS Phones	5,882,578	7,033,310	6,926,795
578100 TPU CS Lobby Svcs	2,048,387	2,150,471	1,988,804
578500 TPU CS Back Office	2,058,196	3,588,418	3,741,341
579000 TPU CS Business Solutions	1,840,954	1,362,184	1,181,935
579900 TPU CS Bus Office Admin	2,898,249	3,096,357	3,025,911

<b>Total Operation &amp; Maintenance</b>	<b>34,356,083</b>	<b>38,821,734</b>	<b>40,426,768</b>
<b>Capital Outlay</b>	<b>2,214,220</b>	<b>4,580,000</b>	<b>2,835,000</b>

<b>Total for Customer Services</b>	<b>\$36,570,303</b>	<b>\$43,401,734</b>	<b>\$43,261,768</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>145.0 / 145.0</b>	<b>146.0 / 146.0</b>	<b>147.0 / 147.0</b>
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