

Environmental Services

**2025-2026 Proposed Budget Work Session
October 2024**

2025-2026 CITY OF TACOMA

**BIENNIAL OPERATING
& CAPITAL BUDGET**

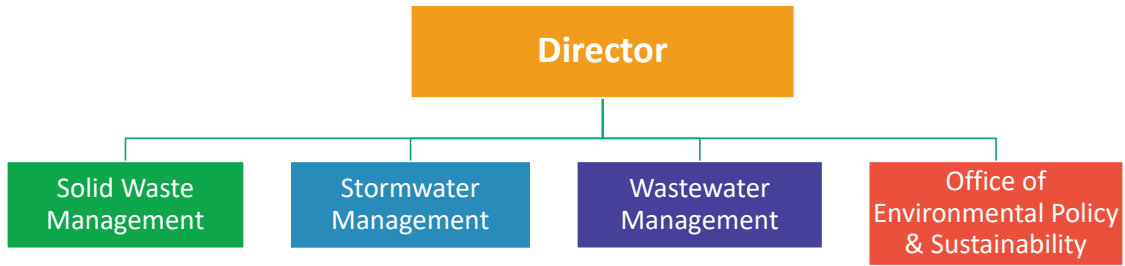


Agenda

- Department Overview
- 2023-2024 Major Accomplishments
- Financial Overview
 - Revenue Plan
 - Customer Impacts
- 2025-2026 Services and Major Initiatives

2025-2026 CITY OF TACOMA
**BIENNIAL OPERATING
& CAPITAL BUDGET**

Departmental Overview



Everything Environmental Services does supports healthy neighborhoods and a thriving Puget Sound, leaving a better Tacoma for all.

Healthy Neighborhoods +
Thriving Puget Sound =
A Better Tacoma



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2023-2024 Major Accomplishments

Climate and Health



- Ground to Sound Film Festival
- Modernized Tree Code
- Research Partnerships on “Chemicals of Concern”
- Continued Electrification of Environmental Services’ Fleet
- RIN Revenue Generation from Gas Utilization Facility
- Waste Reduction through EPA Recycling Education and Outreach Grant
- Improved Language Access

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2023-2024 Major Accomplishments

Tidy Up Tacoma Implementation Highlights April 2023 – September 2024



- Removed 7.6 million pounds of garbage from public spaces since launch
- Litter crew cleaned up 1,100 locations in Tacoma
- Addressed 9,684 Tacoma First 311 complaints
- Completed an outreach campaign to solicit community feedback on priorities



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2023-2024 Major Accomplishments

Access/Health: Capital & Green Infrastructure Projects



NETP Solids Holding Tank
Bioscrubber Project
\$1.5M

Madison District
Green Infrastructure Project
\$8.2M

Larchmont District
Pervious Pavement Project
\$9M

Manitou District Green
Infrastructure Project
\$3.4M

Upper Buckley Water
Quality Project
\$8.4M



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2023-2024 Major Accomplishments

Awards



"If It Hits the Ground, It Hits the Sound!"



Excellence in Management Honorees
Platinum Recognition

City of Tacoma Environmental Services Department, WA



Best Safety Innovation

City of Tacoma, WA, Solid Waste Management



Best Model Practices Stormwater Utility
in the Country

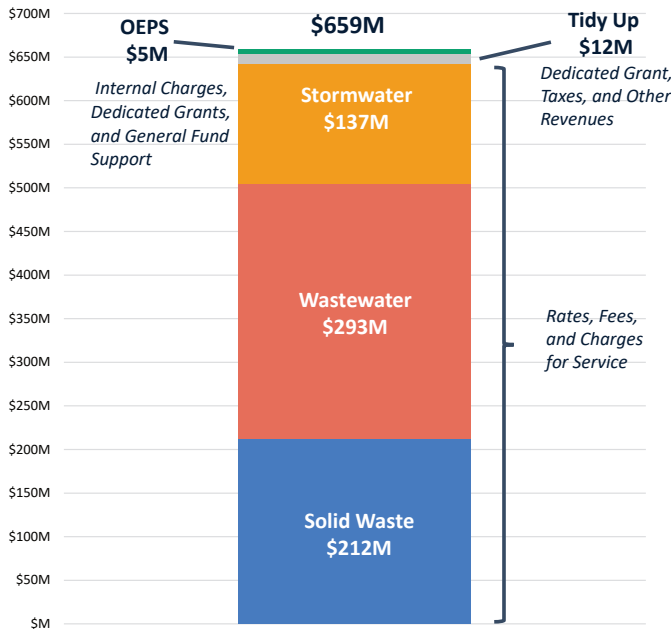
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Credit Ratings	Fitch	Moody's	S&P
Solid Waste	AA	Aa3 ★	AA
Sewer	AA+	Aa2	AA+

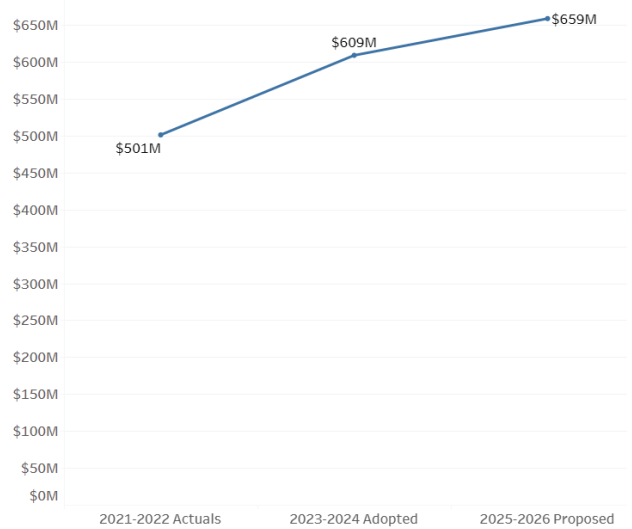
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Financial Overview

2025-2026 Proposed Budget



Budget and Actuals for 2021-2026

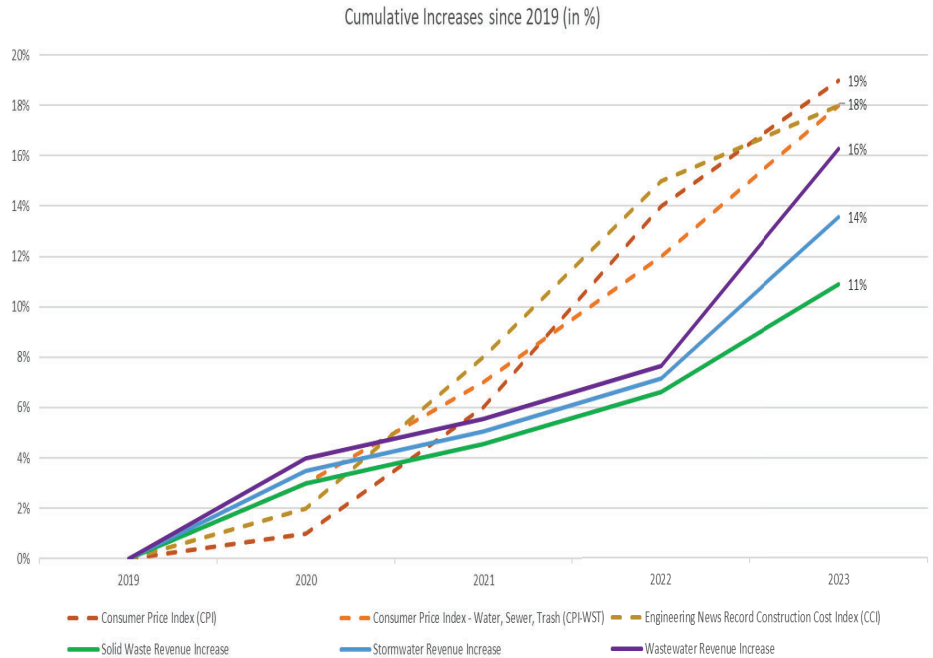


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Major Cost Drivers

- Inflation has outpaced our revenue increases.
- Cost decreases are unlikely, resulting in a new, higher, 'normal' cost environment.
- Our Capital Improvement Plan (CIP) is higher due to higher escalation and backlog of needed projects.
- Interest rates are expected to be near their highest levels in over a decade, resulting in higher financing costs for our upcoming capital plan.



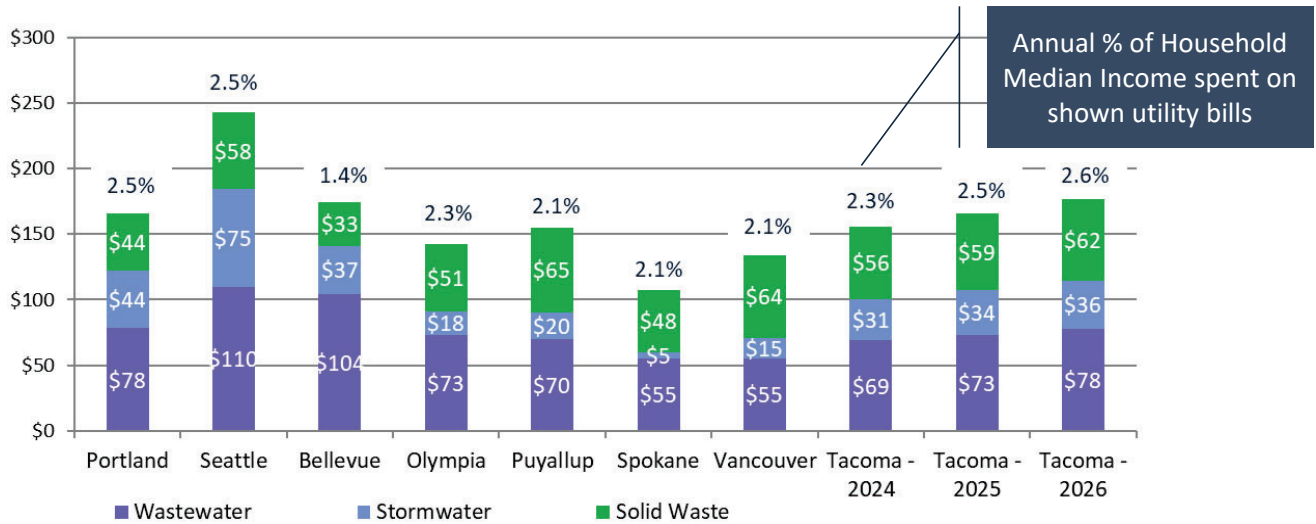
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2024 Six Year Revenue Plan

Year	Solid Waste	Wastewater	Stormwater
2025	5.5%	7%	8%
2026	5.5%	7%	8%
2027	5%	6%	7.5%
2028	5%	6%	7.5%
2029	4.5%	6%	7%
2030	4.5%	6%	7%

The 2024 proposed revenue plan was reviewed and recommended for implementation by the Environmental Services Commission

2024 Residential Bill Comparison



Based on theoretical residential customer: 7,000 SF residential lot for stormwater, 6 CCF water for wastewater, and for solid waste a 60-gallon garbage container, two 90-gallon recycling containers, and two 90-gallon yard/food waste containers picked up every other week (or a weekly equivalent)

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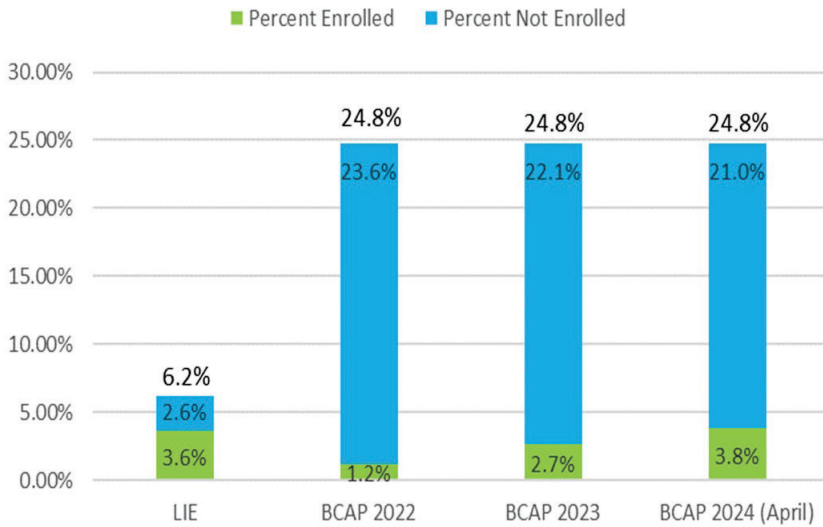
Average Residential Customer Bill

	2024 Monthly	2025 Monthly	2026 Monthly	\$ Difference		% Difference	
Wastewater	\$68.80	\$73.37	\$78.08	\$4.57	\$4.71	6.7%	6.4%
Stormwater	\$31.23	\$33.72	\$36.42	\$2.49	\$2.70	7.7%	8.0%
Solid Waste	\$55.79	\$58.95	\$62.30	\$3.16	\$3.35	5.7%	5.7%
ES Total	\$155.91	\$166.04	\$176.80	\$10.13	\$10.76	6.5%	6.5%

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Customer Assistance

Percentage of Customers Eligible & Enrolled



LIE Eligibility
 3,830 Customers
 6% of Customers
 2,235 Enrolled, +5% YOY

BCAP 2022
 15,216 Eligible Customers
 25% of Customers
 717 Enrolled

BCAP 2023
 15,216 Eligible Customers
 25% of Customers
 1,624 Enrolled, +126% YOY

BCAP 2024 as of September
 2,315 Enrolled, +42% YOY

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Average Residential Customer Bill

BCAP Plus Full Credit (Automatic & Earned) Applied (20% Discount)

	2025 Monthly	2025 Monthly BCAP	2026 Monthly	2026 Monthly BCAP	\$ Discount	
Wastewater	\$73.37	\$58.37	\$78.08	\$63.08	(\$15)	(\$15)
Stormwater	\$33.72	\$26.72	\$36.42	\$29.42	(\$7)	(\$7)
Solid Waste	\$58.95	\$41.63	\$62.30	\$44.98	(\$17.32)	(\$17.32)
ES Total	\$166.04	\$126.72	\$176.80	\$137.48	(\$39.32)	(\$39.32)

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2025-2026 Budget Strategy

- Maintain **effective and efficient service** levels and operations
 - Understand baseline costs and current organizational needs
 - Seek improvements to the customer experience
 - Address requirements and critical business needs (growth, regulations, safety)
- **Advance strategic priorities** with limited targeted investments or enhanced services
 - Equity
 - Climate and Environmental Health
 - Council Policy Priorities
- **Long-range planning** for organization, staffing, and asset needs
 - Ensure financial sustainability
 - Consider affordability and support for vulnerable customers
 - Plan for capital backlog and next bond issuance
 - Long-term asset management planning with funding strategy
- Consider **new revenue** opportunities

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& CAPITAL BUDGET**

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2025-2026 Services

Customers Served

- Serve more than 91,000 residential households and close to 4,000 businesses

Solid Waste Assets

- 135-acre landfill cap
- 144 vehicles
- 264 other pieces of equipment

Stormwater Assets

- 480 miles of pipe
- Over 19,000 catch basins
- 4 pump stations
- 36 holding basins/ponds
- 520 acres of Open Space

Wastewater Assets

- 700 miles of pipe
- Two treatments plants containing over 5,600 assets
- 50 pump stations containing over 1,400 assets

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2025-2026 Services



STORMWATER

- Prevent stormwater flooding and pollution before it reaches our waters; restore sites already affected by industry and urbanization.
- Maintain 480 miles of public stormwater pipe, 19,000 storm drains (catch basins,) 4 pump stations and numerous detention ponds/structures.
- Manage and expand Tacoma’s urban tree canopy.



Wastewater

- Treatment plants clean about 9 billion gallons of wastewater each year, ensuring that only clean water is released into Commencement Bay.
- Reduce sewer backups and flooding.
- Biosolids from the treatment process are transformed into TAGRO premium soil products.



SOLID WASTE

- Curbside garbage, recycling, and food/yard waste services for 57,045 residential customers and 5,469 commercial customers.
- Self-haul options for garbage, recycling, yard waste, household hazardous waste disposal at the Recovery and Transfer Center.
- Environmental health education in K-12 classrooms, at community events, and through workforce development (for all three utilities).

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2025-2026 Major Initiatives

Long-Range Planning

- Wastewater Comprehensive Plan
- Stormwater Comprehensive Plan
- Solid Waste Master Site Plan
- LiDAR
- Address capital backlog
- Long-term asset management planning with funding strategy
- Increase rate stabilization fund (10% to 15%)
- Monitor key financial indicators (for 2027 bond issuance)



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2025-2026 Major Initiatives

Equity and Climate Resilience

- Continue Support for ES Equity Team
- Sponsor UWT Engineering Pathways Apprenticeship Program (\$180K)
- Maintain Annual Funds for Wildfire Filter Fans (\$50K) and Sustainability Small Grants (\$50K)
- Implement Climate Action Plan Citywide



Grants and Revenues

- Pursue Renewable Natural Gas Fuel Credit (\$1M)
- Multiple Grants (\$5.5M)

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2025-2026 Major Initiatives

Climate Resilience - Urban Forestry

- **Improve Capital Project Tree Planning Through Construction Arborist Position** (+1 FTE; \$350K)
 - Technical arborist support for trees impacted by City capital construction projects
- **Establish Tree Crew for Tree Health and Maintenance on City-Responsible Property** (+2 FTE; \$1.36M [\$750K ongoing; \$610K one-time])



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2025-2026 Major Initiatives

Solid Waste

- **Update Safe and Efficient Staffing Levels for Solid Waste**
(+5 FTE; \$1.6M)
- **Create Call 2 Haul Multifamily Communication Pilot**
(+1 FTE; \$300K)



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2025-2026 Services and Major Initiatives



2025-2026 Projected Revenue Allocations	
Encampment Clean Up	\$4.3 M
Litter and Debris	\$3.6 M
Administration & Program Management	\$1.3 M
Graffiti (Public & Private)	\$1.0 M
Site Reclamation	\$0.9 M
Public Litter Cans	\$0.8 M
Community Service Work Crew	\$0.6 M
Trail Maintenance	\$0.4 M
Total Expense	\$12.9 M

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