



## 2019-2020 Rate Revenues

City of Tacoma | Environmental Services Department

**Governmental Performance and Finance  
Committee**

**August 7, 2018**

**ITEM 5**

### OVERVIEW

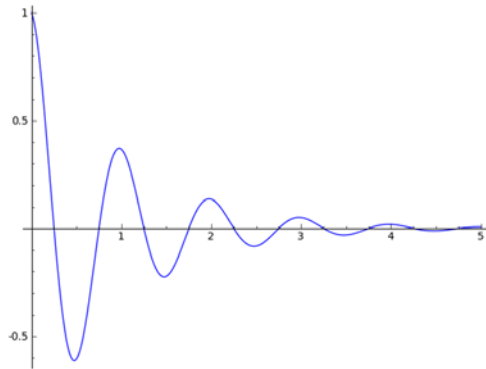


- Informational briefing
- Solid Waste, Wastewater, and Surface Water
- 2019-2020 preliminary budget and rate revenues

## BUDGET PROCESS



Assessments and benefits yet to be locked-in



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## 2017 SIX YEAR REVENUE PLAN



2017-2018 Biennium - Previous View of Rates

Year	Solid Waste	Wastewater	Surface Water
2017	4.0%	5.5%	5.5%*
2018	4.0%	4.5%	5.5%*
2019	3.0%	4.5%	5.0%
2020	3.0%	4.5%	5.0%
2021	3.0%	4.0%	4.5%
2022	3.0%	4.0%	4.5%

\* Includes 0.5% dedicated rate revenue for Open Space

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## 2019 SIX YEAR REVENUE PLAN

### 2019-2020 Biennium - Proposed View of Rates

Year	Solid Waste	Wastewater	Surface Water
2019	3.0%	4.5%	4.5%
2020	3.0%	4.5%	4.5%
2021	3.0%	4.0%	4.0%
2022	3.0%	4.0%	4.0%
2023	3.0%	4.0%	4.0%
2024	3.0%	4.0%	4.0%

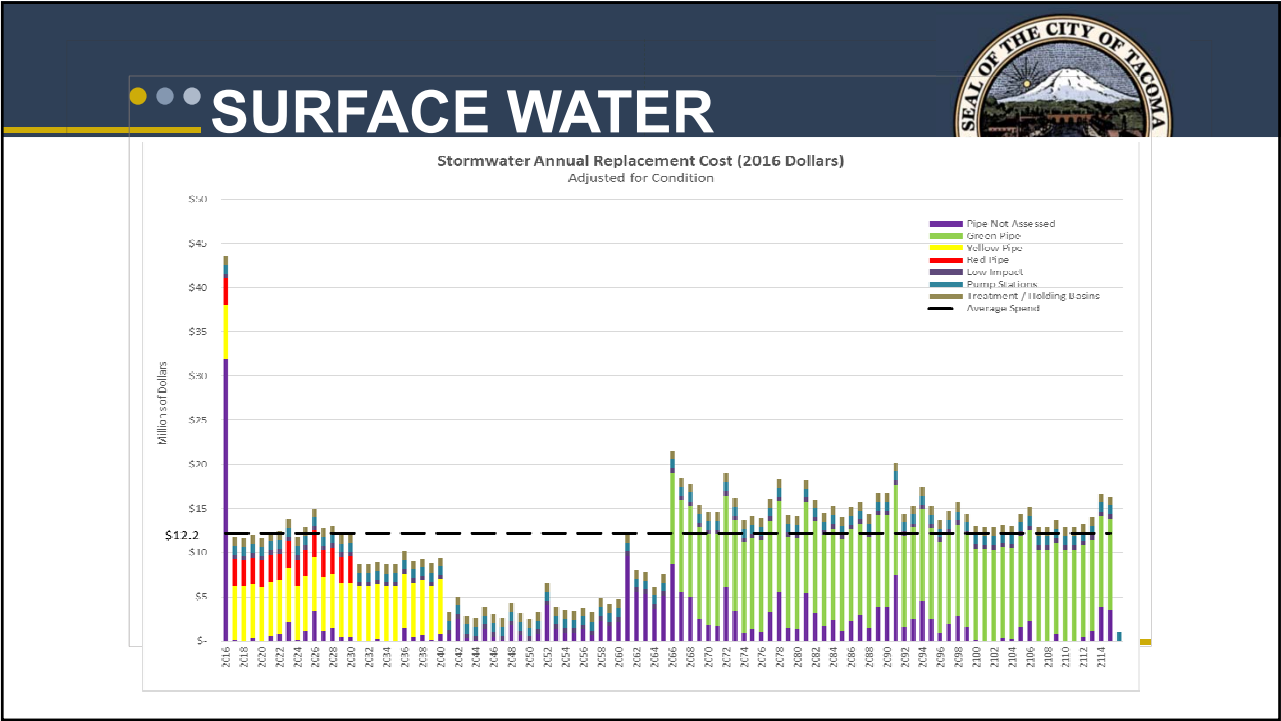
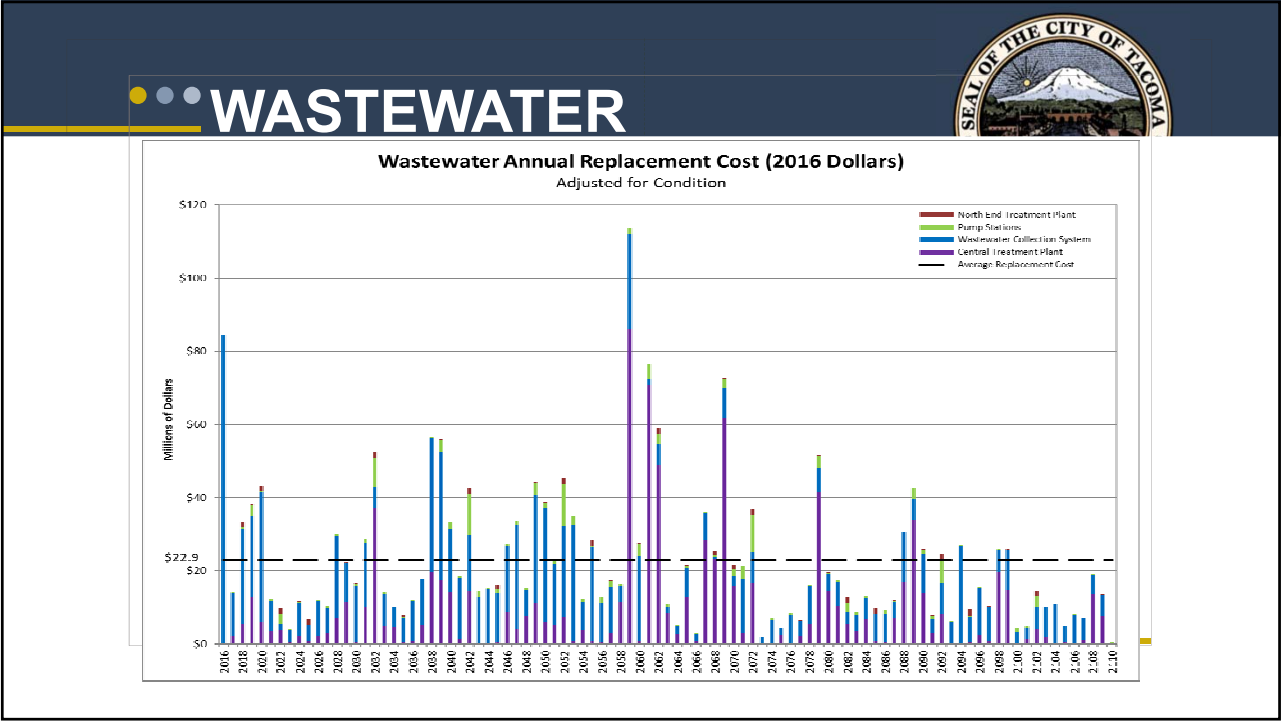
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## 2017 – 2019 REVENUE DIFFERENCES

### Projected Changes in Rate Revenues

Year	Solid Waste	Wastewater	Surface Water
2019	0.0%	0.0%	-0.5%
2020	0.0%	0.0%	-0.5%
2021	0.0%	0.0%	-0.5%
2022	0.0%	0.0%	-0.5%

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## RATE MODELS



- 2012 Raftelis Consultants developed first rate models
- Consistent across all three utilities
- Custom built
- Dashboards to optimize decisions
- Added ongoing actual cash flows (2013-2018)
- Additional dashboard graphics
- Automating link to SAP data is in progress

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## CHALLENGES



- Recycling is a challenge in this market and will be addressed in future presentations
- Interest rates and construction inflation are increasing
- Wages and benefits inflation may become a factor
- Permitting and contractor availability is affecting scheduling

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## TIMELINE



- August 26 – Benefit and assessment changes available
- September 12 – ESC rate review / draft letter
- September 19-28 - Council member reviews
- October 16 – City Council Study Session
- October 16-November 9 – Neighborhood Council Meetings
- November 13 and 20 – Ordinance 12.08 and 12.09 first and second reading

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