



TO: Hyun Kim, City Manager

FROM: Jackie Flowers, Director, Tacoma Public Utilities (TPU)
Chris Robinson, Superintendent, Tacoma Power
Keri Burchard-Juarez, Superintendent, Tacoma Water
Alan Matheson, Superintendent, Tacoma Rail

COPY: Government Performance and Finance Committee
Andy Cherullo, Director, Finance
Chantra Real, Office Manager, Finance

PRESENTER: Alex Yoon, Deputy Director for Administration, Tacoma Public Utilities
Ying Hall, Rates Planning & Analysis Manager, Tacoma Power
Hayley Falk, Financial Services Manager, Tacoma Water
Daniel McCabe, Assistant Superintendent, Tacoma Rail

SUBJECT: Tacoma Public Utilities Draft Budget and Rates Update

DATE: August 18, 2026

PRESENTATION TYPE:
Informational Briefing

SUMMARY:

This informational presentation provides an overview of the 2027-2028 draft budget and rate increases for the TPU utilities: Tacoma Power, Tacoma Water, and Tacoma Rail.

BACKGROUND:

As part of the biennial budget process, each utility develops budgets and rates guided by legal, industry-standard, and TPU principles and policies. The two-year budget and rate projections are developed to support gradual rate adjustments for customers while maintaining financial metrics in alignment with policies that provide financial flexibility and sustainability for the utilities.

The TPU utilities have actively engaged with Director Flowers and the Public Utility Board to provide details on utility specific challenges and opportunities, as well as drivers impacting operating and capital costs, debt service, taxes, and the long-range financial plans.

ISSUE:

The final rate proposals for the utility rates will be approved by the Public Utility Board and recommended for approval by the Tacoma City Council.

ALTERNATIVES:

This is an informational briefing only. There are no alternatives presented.

FISCAL IMPACT:

This is an information briefing only. There is no fiscal impact.

RECOMMENDATION:

This is an information briefing only. There is no recommendation.