

Environmental Services Commission

City of Tacoma | Environmental Services Department

Thursday, June 10, 2021





Agenda

- Welcome
- 2020 ES Financial Update: Christina Curran
- PSA: “If It Hits the Ground, It Hits the Sound”
- Video: Wastewater Treatment Plant
- Video: A Tour of TAGRO
- Documentary Trailer: “Turning the Tides”
- Other Items of Interest
- Adjournment



2021 Work Plan

Meeting Date	Draft Topics
February 11	<ul style="list-style-type: none">• Election of chair & vice-chair• Meeting schedule for 2021 & work plan• Five Utilities in Tacoma video
March 11	<ul style="list-style-type: none">• Canceled
April 8	<ul style="list-style-type: none">• Impacts of COVID-19 on Budget• TMC 12.08 Updates• Stormwater Management Manual Update
May 13	<ul style="list-style-type: none">• Canceled <p>Note: ES attends GPFC (Gov. Performance & Finance) meeting to provide an overview of ESC</p>
June 10	<ul style="list-style-type: none">• 2020 ES Financial Update• Virtual Tours and Videos
July 15: <i>Special Meeting Date</i>	<ul style="list-style-type: none">• Tours: Solid Waste (tentative)
August 12	<ul style="list-style-type: none">• Canceled
September 16: <i>Special Meeting Date</i>	<ul style="list-style-type: none">• Tour: Stormwater (tentative)
October 14	<ul style="list-style-type: none">• ES Strategic Plan Update – Bee Team Update
November 11	<ul style="list-style-type: none">• Agenda for upcoming Rate & Budget Year
December 9	<ul style="list-style-type: none">• Canceled



Presentation: 2020 Financial Update

Presentation Agenda

1) 2020 Year-End Financial Performance

- Solid Waste
- Wastewater
- Surface Water

2) Capital Update

Presenter: Christina Curran, Budget, Rates, & Strategic Planning

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Solid Waste Revenues



Row Labels	2019-2020 Budget	Dec 2019 YTD Var	Dec 2019 YTD Var %	Dec 2020 YTD Var	Dec 2020 YTD Var %	Biennial Budget Balance
<input type="checkbox"/> 4200 - ES Solid Waste						
<input type="checkbox"/> Revenue						
<input type="checkbox"/> Revenue	(147,352,942)	2,925,310	4%	1,492,418	2%	4,417,727
<input checked="" type="checkbox"/> Charges for Services	-	-	0%	18,695	100%	18,695
<input checked="" type="checkbox"/> Commercial Recycling	(3,378,000)	344,005	21%	216,344	13%	560,349
<input checked="" type="checkbox"/> Commercial Revenue	(59,867,000)	819,718	3%	825,583	3%	1,645,301
<input checked="" type="checkbox"/> Contributions & Transfers	-	140	100%	-	0%	140
<input checked="" type="checkbox"/> Disposal Revenue	(19,524,000)	1,322,069	14%	(3,192)	0%	1,318,877
<input checked="" type="checkbox"/> Non-Operating/Miscellaneous	(1,131,942)	705,026	131%	640,345	108%	1,345,371
<input checked="" type="checkbox"/> Other Charges for Services	(1,820,000)	-	0%	(122,391)	-7%	(122,391)
<input checked="" type="checkbox"/> Other Operating Revenue	(577,000)	337,694	117%	(123,053)	-43%	214,640
<input checked="" type="checkbox"/> Residential Revenue	(60,055,000)	(406,191)	-1%	97,958	0%	(308,233)
<input checked="" type="checkbox"/> Revenue Provided for Capital Projects			0%		0%	
<input checked="" type="checkbox"/> Wholesale Revenue	(1,000,000)	(197,150)	-39%	(209,380)	-42%	(406,530)
<input checked="" type="checkbox"/> Federal Grants	-	-	0%	151,509	100%	151,509
Grand Total	(147,352,942)	2,925,310	4%	1,492,418	2%	4,417,727

Solid Waste Expenses



Row Labels	2019-2020 Budget	Dec 2019 YTD Var	Dec 2019 YTD Var %	Dec 2020 YTD Var	Dec 2020 YTD Var %	Biennial Budget Balance
<input type="checkbox"/> 4200 - ES Solid Waste						
<input type="checkbox"/> Expense						
<input type="checkbox"/> Operating Expense	128,203,803	(3,021,787)	-5%	809,737	1%	(2,212,049)
<input type="checkbox"/> Personnel Services	43,697,486	(122,076)	-1%	651,083	3%	529,007
<input type="checkbox"/> Secondary Labor	(192,938)	110,987	121%	(127,638)	-126%	(16,652)
<input type="checkbox"/> Overtime	2,466,065	131,404	11%	17,348	1%	148,752
<input type="checkbox"/> Training & Travel	175,060	(27,852)	-32%	49,233	55%	21,381
<input type="checkbox"/> Maintenance & Operations	33,306,618	(2,314,622)	-16%	568,614	3%	(1,746,009)
<input type="checkbox"/> Fleet	13,471,632	(354,511)	-5%	(60,373)	-1%	(414,883)
<input type="checkbox"/> Fixed Costs	2,396,249	(180,459)	-16%	(91,318)	-7%	(271,777)
<input type="checkbox"/> Internal Services	11,776,331	7,067	0%	30,029	1%	37,095
<input type="checkbox"/> Contributions & Transfers	11,667,000	(328,948)	-6%	(295,899)	-5%	(624,847)
<input type="checkbox"/> Debt Service	9,440,300	34,606	1%	1,255	0%	35,861
<input type="checkbox"/> Capital	-	22,617	100%	67,404	100%	90,022
<input type="checkbox"/> Capital	26,878,635	14,414,966	68%	(4,090,206)	-73%	10,324,760
Grand Total	155,082,438	11,393,179	14%	(3,280,469)	-5%	8,112,710

Wastewater Revenues



Row Labels	2019-2020 Budget	Dec 2019 YTD Var	Dec 2019 YTD Var %	Dec 2020 YTD Var	Dec 2020 YTD Var %	Biennial Budget Balance
[-] 4300 - ES Wastewater						
[-] Revenue						
[-] Revenue	(168,481,550)	1,963,407	2%	(1,162,536)	-1%	800,870
+ Charges for Services			0%		0%	
+ Commercial Revenue	(35,483,000)	760,701	4%	(2,641,111)	-15%	(1,880,410)
+ Contributions & Transfers	-	450,607	100%	902,257	100%	1,352,864
+ Interlocal - Wholesale	(15,319,000)	889,102	12%	124,054	0	1,013,156
+ Licenses & Permits			0%		0%	
+ Non-Operating/Miscellaneous	(4,991,000)	1,544,658	60%	1,308,325	54%	2,852,983
+ Other Charges for Services	(805,500)	(133,000)	-100%	(672,500)	-100%	(805,500)
+ Other Operating Revenue	(4,610,050)	(567,997)	-25%	389,529	17%	(178,468)
+ Residential Revenue	(105,680,000)	(1,033,877)	-2%	(910,371)	-2%	(1,944,247)
+ Revenue Provided for Capital Projects			0%		0%	
+ State Grants	-	-	0%	-	0%	-
+ Tagro Revenue	(1,243,000)	53,213	9%	196,412	0	249,625
+ Contributions	(350,000)	-	0%	-	-	0
+ Processing Fees	-	-	0%	4,906	1	4,906
+ Federal Grants	-	-	0%	135,961	100%	135,961
Grand Total	(168,481,550)	1,963,407	2%	(1,162,536)	-1%	800,870

Wastewater Expenses



Row Labels	2019-2020 Budget	Dec 2019 YTD Var	Dec 2019 YTD Var %	Dec 2020 YTD Var	Dec 2020 YTD Var %	Biennial Budget Balance
<input type="checkbox"/> 4300 - ES Wastewater						
<input type="checkbox"/> Expense						
<input type="checkbox"/> Operating Expense	146,563,857	2,233,818	3%	(241,002)	0%	1,992,816
<input type="checkbox"/> Personnel Services	57,577,561	1,172,695	4%	530,678	2%	1,703,373
<input type="checkbox"/> Secondary Labor	(5,750,156)	353,707	13%	(93,374)	-3%	260,333
<input type="checkbox"/> Overtime	1,306,022	(38,935)	-6%	(14,646)	-2%	(53,580)
<input type="checkbox"/> Training & Travel	477,843	23,055	10%	100,932	42%	123,987
<input type="checkbox"/> Maintenance & Operations	30,595,519	734,829	5%	(265,716)	-2%	469,113
<input type="checkbox"/> Fleet	2,989,481	(45,218)	-3%	(427,939)	-29%	(473,157)
<input type="checkbox"/> Fixed Costs	2,280,746	(183,468)	-17%	(220,667)	-19%	(404,136)
<input type="checkbox"/> Internal Services	13,613,986	457	0%	13,219	0%	13,675
<input type="checkbox"/> Contributions & Transfers	14,444,000	229,152	3%	560,530	8%	789,682
<input type="checkbox"/> Debt Service	29,009,589	(21,945)	0%	(433,794)	-3%	(455,740)
<input type="checkbox"/> Capital	19,266	9,490	100%	9,776	100%	19,266
<input type="checkbox"/> Capital	63,469,942	17,987,972	50%	1,064,267	4%	19,052,239
Grand Total	210,033,799	20,221,790	19%	823,265	1%	21,045,055

Surface Water Revenues



Row Labels	2019-2020 Budget	Dec 2019 YTD Var	Dec 2019 YTD Var %	Dec 2020 YTD Var	Dec 2020 YTD Var %	Biennial Budget Balance
<input type="checkbox"/> 4301 - ES Surface Water						
<input type="checkbox"/> Revenue						
<input type="checkbox"/> Revenue	(84,444,406)	1,281,377	3%	(666,046)	-2%	615,331
<input type="checkbox"/> Charges for Services			0%		0%	
<input type="checkbox"/> Commercial Revenue	-	-	0%	-	0%	-
<input type="checkbox"/> Contributions & Transfers	(7,344,406)	689,695	38%	(4,647,668)	-84%	(3,957,973)
<input type="checkbox"/> Intergovernmental Revenues	-	-	0%	-	0%	-
<input type="checkbox"/> Licenses & Permits	-	-	0%	-	0%	-
<input type="checkbox"/> Non-Operating/Miscellaneous Revenues	(890,000)	1,518,001	267%	1,262,948	392%	2,780,949
<input type="checkbox"/> Other Charges for Services	(74,594,000)	403,029	1%	1,199,527	3%	1,602,556
<input type="checkbox"/> Other Operating Revenue	(316,000)	(29,348)	-19%	(163,783)	-102%	(193,130)
<input type="checkbox"/> Residential Revenue			0%		0%	
<input type="checkbox"/> Revenue Provided for Capital Projects			0%		0%	
<input type="checkbox"/> State Grants	(1,300,000)	(1,300,000)	-100%	1,587,891	100%	287,891
<input type="checkbox"/> Surface Water Services	-	-	0%	-	0%	-
<input type="checkbox"/> Federal Grants	-	-	0%	95,038	100%	95,038
Grand Total	(84,444,406)	1,281,377	3%	(666,046)	-2%	615,331

Surface Water Revenues – Adj. Grants



Row Labels	2019-2020 Budget	Dec 2019 YTD Var	Dec 2019 YTD Var %	Dec 2020 YTD Var	Dec 2020 YTD Var %	Biennial Budget Balance
4301 - ES Surface Water						
Revenue						
Revenue	(77,625,000)	1,662,111	4%	3,711,393	10%	5,373,504
+ Charges for Services			0%		0%	
+ Commercial Revenue	-	-	0%	-	0%	-
+ Contributions & Transfers	(525,000)	1,070,429	100%	(270,229)	-51%	800,200
+ Intergovernmental Revenues	-	-	0%	-	0%	-
+ Licenses & Permits	-	-	0%	-	0%	-
+ Non-Operating/Miscellaneous Revenues	(890,000)	1,518,001	267%	1,262,948	392%	2,780,949
+ Other Charges for Services	(74,594,000)	403,029	1%	1,199,527	3%	1,602,556
+ 4343041 - Surface Water Rev-Residential	(36,191,000)	131,466	1%	467,152	3%	598,618
+ 4343243 - Surface Water Rev-Commercial	(38,403,000)	271,563	1%	732,316	4%	1,003,879
+ 4343742 - Surface Water Rev-Reg Facil Maint Surchg	-	-	0%	59	100%	59
+ Other Operating Revenue	(316,000)	(29,348)	-19%	(163,783)	-102%	(193,130)
+ Residential Revenue			0%		0%	
+ Revenue Provided for Capital Projects			0%		0%	
+ State Grants	(1,300,000)	(1,300,000)	-100%	1,587,891	100%	287,891
+ Surface Water Services	-	-	0%	-	0%	-
+ Federal Grants	-	-	0%	95,038	100%	95,038
Grand Total	(77,625,000)	1,662,111	4%	3,711,393	10%	5,373,504

Surface Water Expenses



Row Labels	2019-2020 Budget	Dec 2019 YTD Var	Dec 2019 YTD Var %	Dec 2020 YTD Var	Dec 2020 YTD Var %	Biennial Budget Balance
[-] 4301 - ES Surface Water						
[-] Expense						
[-] Operating Expense	63,052,811	574,280	2%	(4,100,394)	-13%	(3,526,115)
+ Personnel Services	20,496,641	777,050	8%	331,528	3%	1,108,578
+ Secondary Labor	(2,199,068)	(744,229)	-69%	(714,438)	-64%	(1,458,666)
+ Overtime	358,915	9,442	5%	8,700	5%	18,142
+ Training & Travel	242,952	18,479	15%	68,536	55%	87,014
+ Maintenance & Operations	9,160,958	638,943	13%	(3,679,409)	-90%	(3,040,466)
+ Fleet	1,382,284	41,636	6%	(7,173)	-1%	34,463
+ Fixed Costs	2,279,357	(142,045)	-13%	(68,637)	-6%	(210,681)
+ Internal Services	8,932,961	32,780	1%	74,869	2%	107,649
+ Contributions & Transfers	8,377,000	(94,783)	-2%	(118,198)	-3%	(212,981)
+ Debt Service	14,020,810	37,007	1%	3,828	0%	40,834
+ Capital	-	-	0%	-	0%	-
+ Capital	47,158,784	12,575,570	59%	16,198,270	63%	28,773,840
Grand Total	110,211,595	13,149,849	25%	12,097,876	21%	25,247,725



2020 Financial Performance: Summary

• 2020 Year End

- Solid Waste:
 - Revenues positive by 2%
 - Operating expenses positive by 1%
 - Capital over budget by 73%
- Wastewater
 - Revenues under plan by 1%
 - Operating expenses over plan by less than 1%
 - Capital under plan by 4%
- Surface Water
 - Revenues under plan by 2% (grant timing)
 - Operating expenses over plan by 13%
 - Capital under plan by 63%

• 2019-2020 Biennium End

- Solid Waste:
 - Revenues positive by 3%
 - Operating expenses over plan by 2%
 - Capital under plan by 38%
- Wastewater
 - Revenues above plan by less than 1%
 - Operating expenses under plan by 1%
 - Capital under plan by 30%
- Surface Water
 - Revenues over plan by 1%
 - Operating expenses over plan by 6%
 - Capital under plan by 61%

Capital Update



- Significant construction inflation is impacting our CIP
 - Utilities cannot afford to spend beyond 2021-2026 adopted budget and plan
 - Currently undergoing scenario planning to address cost increases

<u>Wastewater</u>	<u>2021-22</u>
Adopted Budget & CIP	\$75.5M
4 th Quarter Cost Update	\$85.6M
1 st Quarter Cost Update	\$93.6M
<i>*\$18M/8.5% increase</i>	

<u>Surface Water</u>	<u>2021-22</u>
Adopted Budget & CIP	\$52.3M
4 th Quarter Cost Update	\$61.4M
1 st Quarter Cost Update	\$69.5M
<i>*\$17M/13% increase</i>	

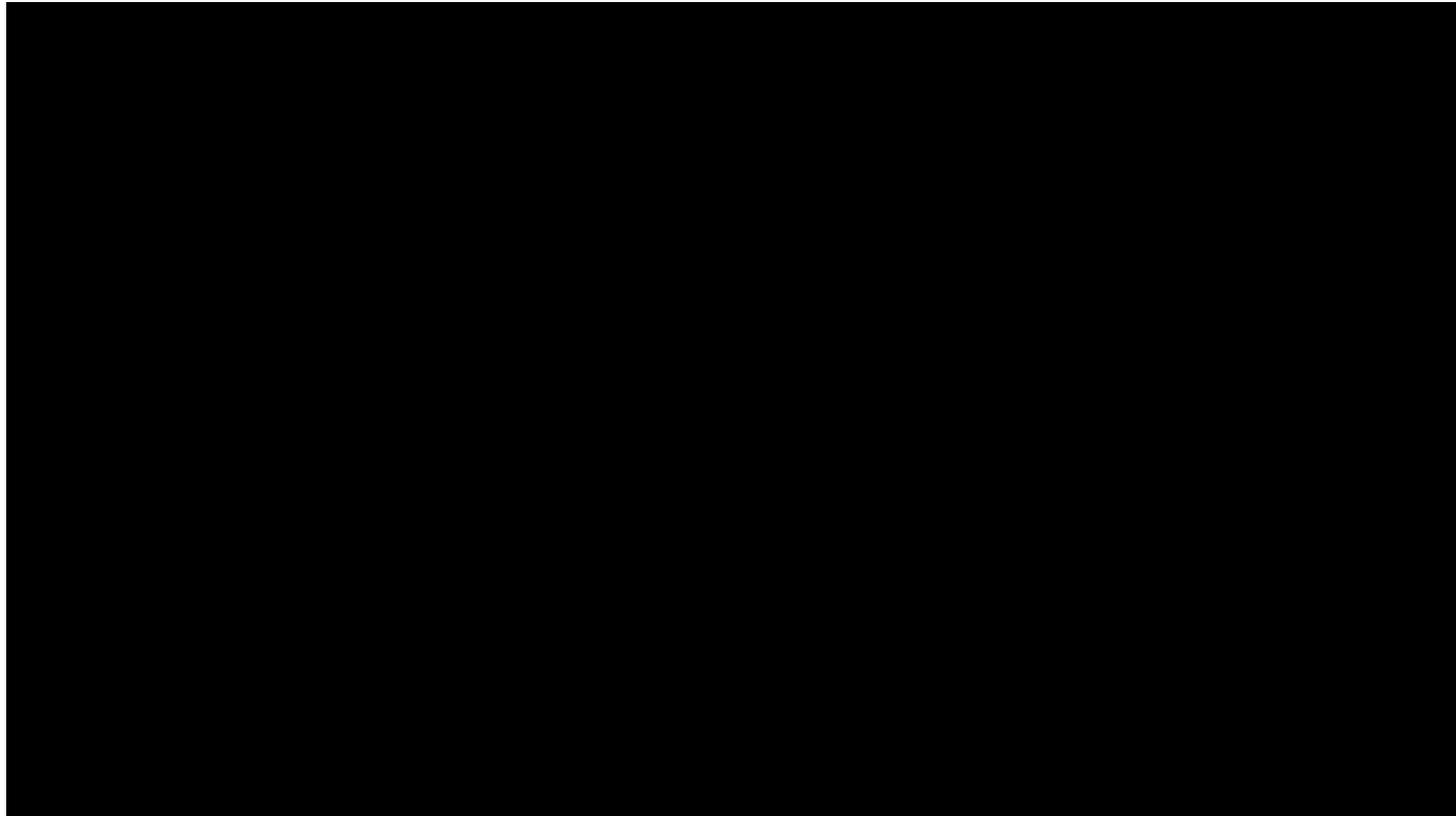
Anticipated Impacts

- Fewer constructed projects
- Project delays
- Potential need to reapply for funding
- Increased planned debt
- Higher rate increases in future



Public Service Announcement

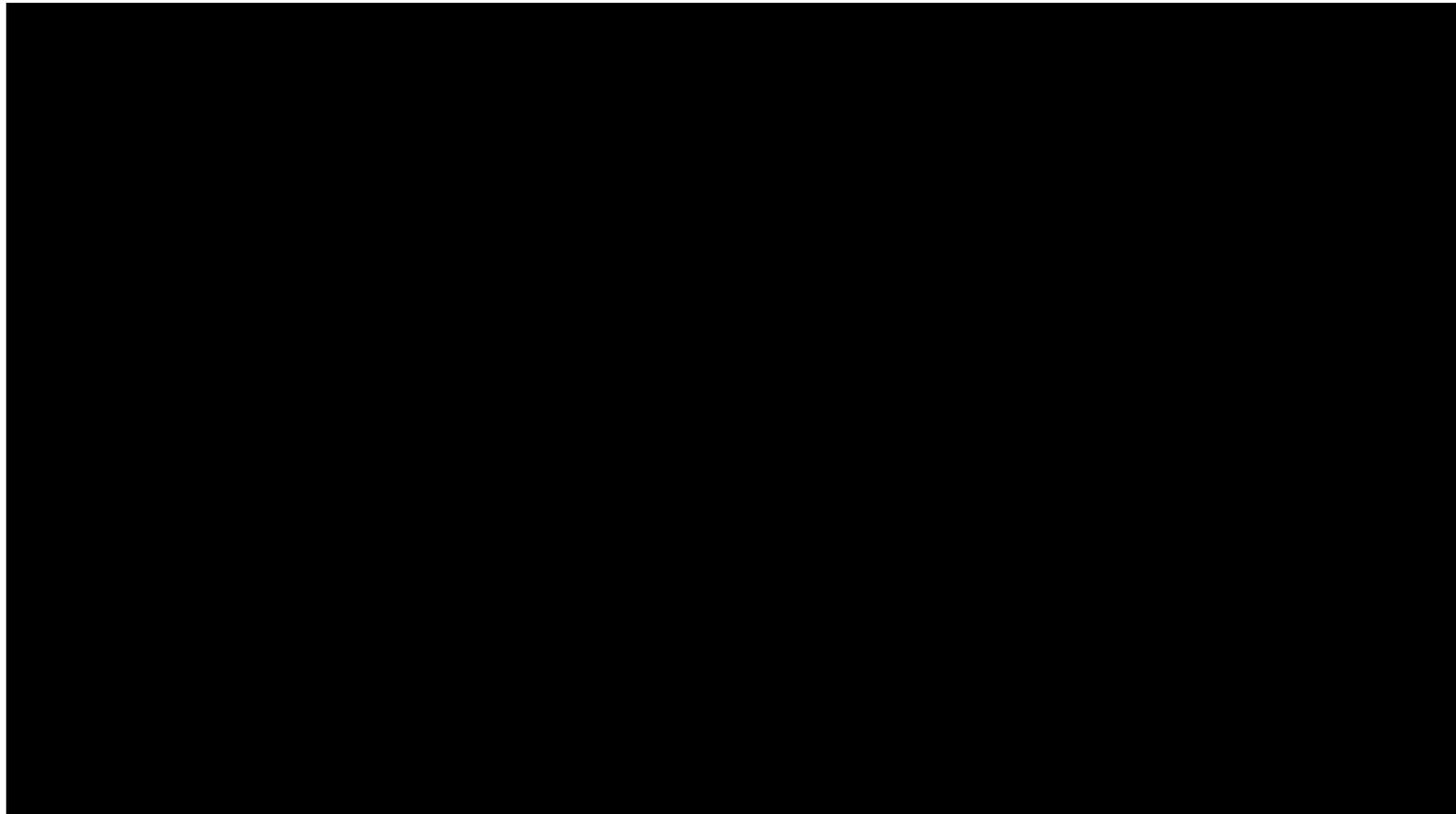
“If It Hits the Ground, It Hits the Sound”





Virtual Tour: Wastewater Treatment

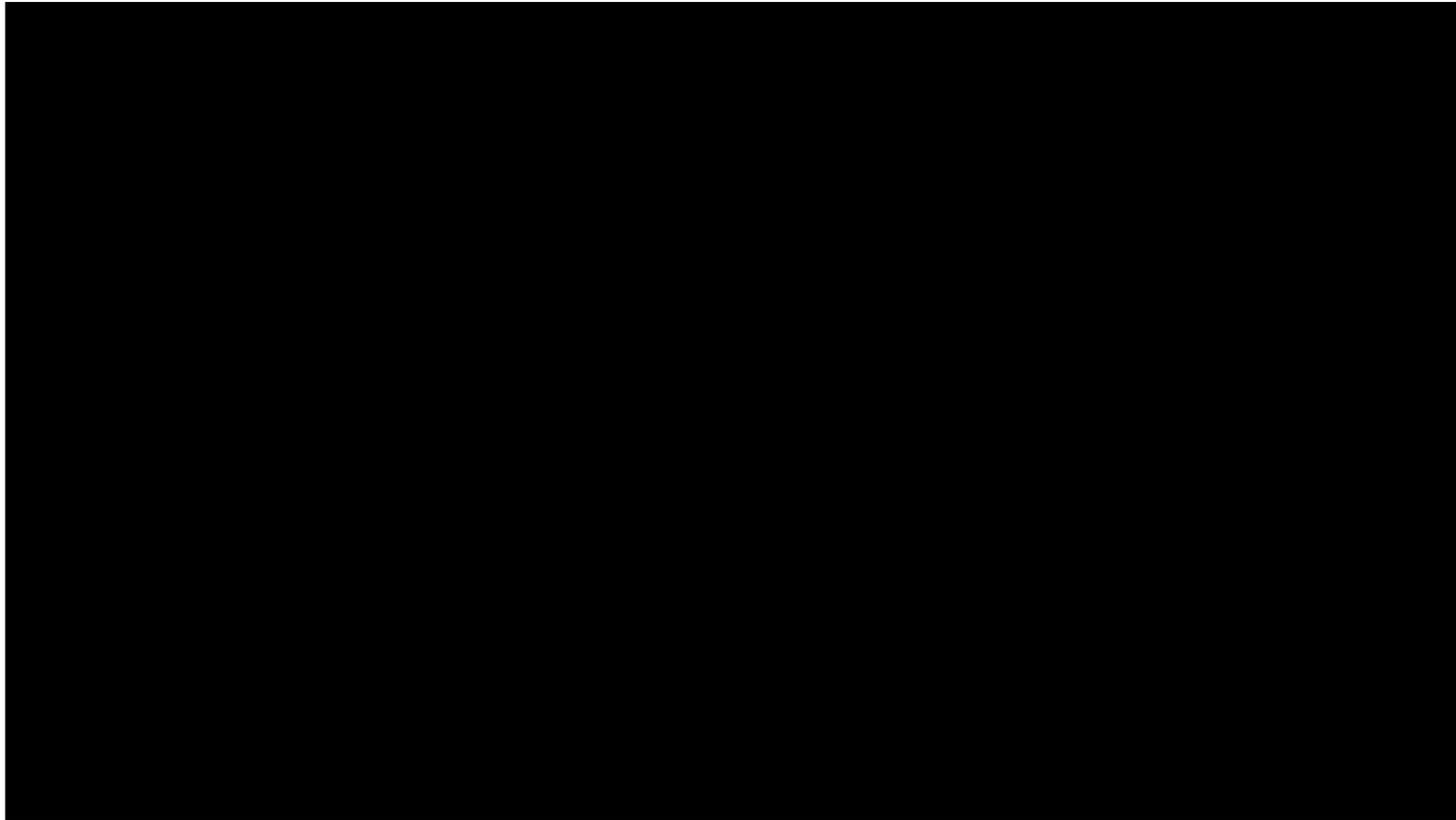
Visiting the Wastewater Treatment Plant: EnviroShort





Virtual Tour: TAGRO Mix

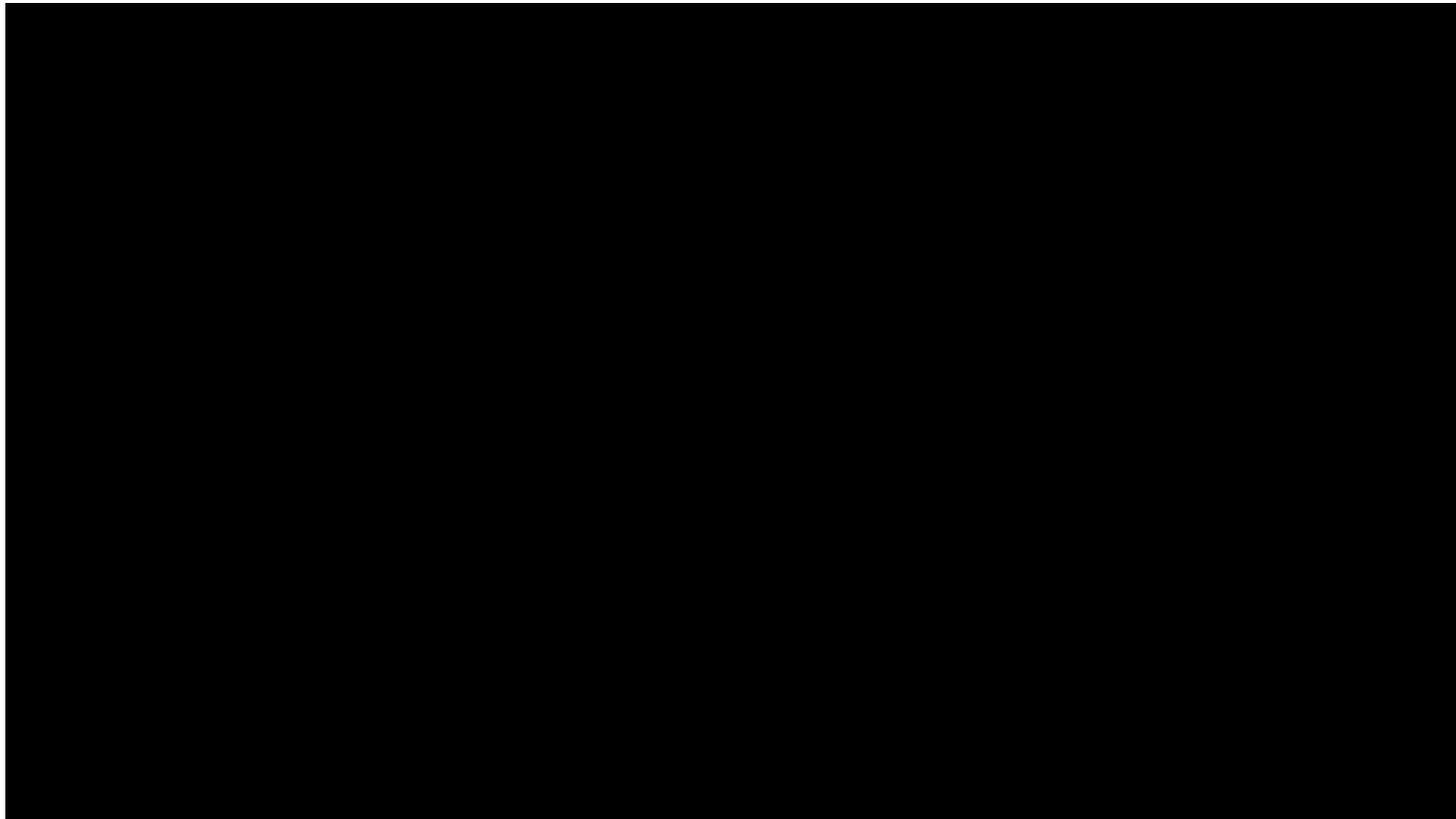
An Inside Look at How TAGRO is Made

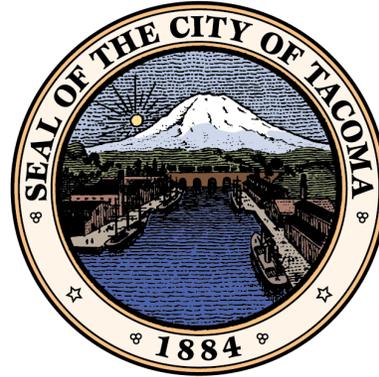




Documentary Trailer

Turning the Tides: Trailer 1





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**Next ESC Meeting:
July 15, 2021 @ 4 p.m.**

