



City of Tacoma

City Council Study Session Minutes

747 Market Street, First Floor, Tacoma WA 98402

Conference Room 16

September 16, 2014

12:00 PM

Joint Meeting with the Tacoma Public Utility Board

Call to Order

Mayor Strickland called the joint study session to order at 12:05 p.m.

Present: 5 - Boe, Ibsen, Lonergan, Mello and Mayor Strickland

Absent: 4 - Campbell, Thoms, Walker and Woodards

Utility Board Members Present: 4 - Flint, Jones, Patterson, and Trudnowski.

Utility Board Members Absent: 1 - Nelson.

Council Member Thoms and Deputy Mayor Woodards arrived at 12:06 p.m.

Council Members Campbell and Walker arrived at 12:07 p.m.

Joint City Council/Public Utility Board Briefing Items

1. **14-0861** Undergrounding of Power Utilities

Mayor Strickland announced the first joint study session topic is a review of Tacoma Power's overhead and underground electrical distribution systems.

Council Member Thoms and Deputy Mayor Woodards arrived here, at 12:06 p.m.

Public Utility Board Chair Woodrow Jones provided background information, and introduced Board Members Bryan Flint, Mark Patterson, and Monique Trudnowski.

Council Members Campbell and Walker arrived here, at 12:07 p.m.

Tacoma Public Utilities (TPU) Director Bill Gaines provided opening remarks. Joe Rempe, Tacoma Power, provided background information on the electrical distribution system, including how electricity flows from generation to distribution. He then reviewed overhead and underground electrical distribution lines, including the maintenance process, risks, reliability, density and customer impacts, and safety.

Joe Wilson, Tacoma Power, reviewed the history of high-voltage distribution systems, undergrounding policies for Tacoma Power and other regional utility companies, high-voltage conversion costs, and recent residential and developmental electrical Local Improvement Districts (LID). He concluded by reviewing overhead and underground services, and the challenges of converting lines from overhead to underground.

Mr. Gaines stated TPU staff requests input from Council regarding undergrounding objectives in order to develop proposals to be considered by Council and the Public Utility Board. He then noted previous discussions with Council and developers included objectives related to beautification, equity across the City, and zero lot line developments in the urban core. Discussion ensued regarding undergrounding, including conflicts in the built environment, targets and goals, abandoned lines, equity, commercial and residential subsidization, zero lot lines, LID obligations, and decentralization of the electrical grid. Mayor Strickland requested TPU staff identify three perspective business districts that are high profile and determine the following information: how undergrounding would impact rate increases, the debt service, and how it could be accomplished. She then requested TPU staff include three types of financing models, including if costs were spread out amongst the entire customer base, if costs were isolated by geography for the direct beneficiaries, and the cost if the subsidiary percent was increased from 30 to 40 percent.

Discussion continued regarding undergrounding objectives, including whether underground policies have been included in subarea plans approved by Council, focusing on pedestrian oriented development and mixed-use centers, zero lot lines, aligning undergrounding objectives with Council adopted policies and planning documents, financing options, and potential incentives. Discussion ensued regarding undergrounding, including co-owned lines, the potential for wire theft, costs, the impacts of green energy, Click! Cable lines, the potential return on investment, whether there are industry or regulatory standards to suggest whether undergrounding is preferable to overhead lines, the LID process, and the impact on low-income communities. Council Member Thoms requested information regarding the ratio of telephone poles owned by TPU versus telephone companies, and the area with the greatest concentration of Click! users.

Board Member Trudnowski stated TPU is the frontrunner in providing hydroelectric power and stated the Board and Council should be an advocate for rate payers. She then invited Council to attend a tour of the fish hatchery at the Cushman Dam No. 2 on Friday, September 26, 2014. Mr. Gaines suggested future joint study sessions include a discussion on solar power.

Council Member Campbell adjourned the joint study session at 1:32 p.m. and stated Council would take a break followed by the regular study session.

Council Member Campbell called the regular study session to order at 1:36 p.m.

Other Items of Interest

There were no other items of interest.

Agenda Review and City Manager's Weekly Report

City Attorney Elizabeth Pauli stated there will be a presentation for the Mayor's selection for Tacoma Reads 2014; and presentation of the National Association of Clean Water Agency Platinum and Gold Awards, and the Department of Ecology's Wastewater Treatment Plant Outstanding Performance Award, for the North End and Central Wastewater Treatment Plants. She then noted there may be a motion to consider an additional resolution, Resolution No. 39011, regarding setting the date for a second public hearing on the draft North Downtown Subarea Plan and proposed amendments to the Municipal Code Chapter 13.06A.

2. **14-0862** Weekly Report to the City Council, September 11, 2014

Council Member Campbell stated there will be a Committee of the Whole meeting today at 3:00 p.m. in the Visibility Center on the ninth floor of the Tacoma Municipal Building to discuss the establishment of a Mayor's Commission on International Relations.

Adjournment

There being no further business, the regular study session was adjourned at 1:39 p.m.

Marilyn Strickland, Mayor

Doris Sorum, City Clerk