

APPROVED 2-24-16

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 February 10, 2016
 3:30 p.m.

Mr. Flint called the Public Utility Board study session to order at 3:30 p.m. at the Public Utilities Administration Building.

Present: Bryan Flint, Woodrow Jones, Mark Patterson, Karen Larkin, Monique Trudnowski (arrived 4:31)

Risk and Insurance Review

Director Gaines and Jim Sant, Deputy Director for Administration, made introductory remarks. Mr. Sant introduced Michael Kaddatz of Bickmore consulting firm and Ken Clark, Sr. Risk Analyst. The goal of Mr. Kaddatz's engagement with TPU is to identify and evaluate risks of property and tort liability loss and to evaluate the adequacy of insurance coverage. As part of TPU's evaluation, the Bickmore consulting firm collected operating, insurance, and loss information; interviewed key TPU personnel; interviewed the insurance broker; conducted insurance market research; read and analyzed current insurance; and conducted benchmarking. Mr. Kaddatz summarized the outcome of each of these items. In summary, the technical design of TPU's insurance program is solid; any recommendations are aimed at fine-tuning and keeping in pace with future changes; all insurers involved have secure financial ratings and are considered stable; and TPU programs have prudent limits of protection.

Tacoma Power: Ductless Heat Pump Experiment Results

Dolores Stegeman, Acting Power Superintendent, made introductory remarks. Rich Arneson, Power Analyst, and Bruce Carter, Conservation Supervisor, provided background on the ductless heat pump (DHP) study undertaken by Tacoma Power. The objective was to obtain information about cost, performance, and economics of a DHP in new construction as no regional or national research existed. Tacoma Power partnered with Tacoma Pierce County Habitat for Humanity and one of their new developments and found an innovative way to study DHPs in a controlled environment. Twelve homes completed participation; six homes are currently being monitored. Data collection is expected to finish in 2016 with a final report in the second quarter of 2017. Primary results show an energy savings of approximately \$2,800 kWh a year as compared to baseboard heating. The study results were used to recommend a

Washington state building code change to require DHPs. Tacoma Power was awarded with the Energy Innovation Award by the Northwest Energy Efficiency Alliance.

Public Affairs: Legislative Issues Update

Bob Mack, Deputy Director for Administration, and Lisa Rennie, Government Relations Analyst, summarized legislative action since the last study session update on January 27. The last date for all policy bills to make it out of policy committees was February 5. The last day to pass bills out of the House fiscal committee and Senate Ways and Means and Transportation committees in house of origin was February 9. The last day to pass bills in house of origin is February 17. TPU's tracking list has been reduced by approximately 37 bills; 66 bills remain alive.

Bills that are still alive for each operating utility were summarized:

Rail: SHB 2575 relating to state efforts to increase oil transportation activity. SB 6375/HB2651 concerning maximum gross weight values.

Water: SB 6215 concerning municipal status for irrigation water rights held by utilities.

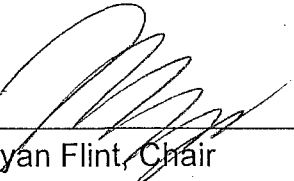
Power: Initiative 732, SB 6173, SB 6306, and SHB 2506 relate to carbon. 2SHB 2346 concerns solar incentives. SHB 2261 concerns utility back billing. SHB 1130 concerns water power license fees. SB 6533/HB 2892 concern improving accuracy of fuel mix disclosure. HB 2966 concerns electrification of transportation. 2SHB 1278 relates to building energy use disclosure requirements.


Adjournment

The study session was adjourned 5:36 at p.m. until the next regularly scheduled study session on Wednesday, February 24, 2016 at 3:00 p.m.

Approved:

Approved:


Bryan Flint, Chair


Monique Trudnowski, Secretary