



City of Tacoma City Council Study Session Minutes

733 Market Street, Tacoma WA 98402

Conference Room 16

March 07, 2017

12:00 PM

JOINT MEETING WITH THE PUBLIC UTILITY BOARD

Call to Order

Mayor Strickland called the joint study session to order at 12:10 p.m.

Present: 8 - Blocker, Campbell, Ibsen, Lonergan, McCarthy, Mello, Walker
Lee and Mayor Strickland

Absent: 1 - Thoms

Board Members Present: 5 - Flint, Jones, Larkin, Patterson, Trudnowski

Deputy Mayor Thoms arrived at 12:16 p.m.

Joint City Council/Public Utility Board Briefing Items

1. [17-0247](#) Residential Customer Satisfaction Results

At approximately 12:11 p.m., Bill Gaines, Director, Tacoma Public Utilities (TPU), provided brief opening remarks and introduced Dan Drennan, Marketing and Development Manager. Mr. Drennan presented on the Residential Customer Satisfaction Study from 2016, including the overall objectives of customer research, the methodology used, and national utility benchmarking.

Deputy Mayor Thoms arrived here, at 12:16 p.m.

Mr. Drennan then presented customer responses to the survey questions, including overall satisfaction with TPU; whether TPU is a trustful organization; ease of doing business with TPU; whether TPU employees are knowledgeable, well-trained, friendly and courteous; billing and payment options to help manage budget; information on how to conserve and lower utility bills; outage communications; and trust among water customers, water reliability and quality. He noted the importance of monitoring customer satisfaction and identifying emerging needs or issues to correct, stating TPU is focused on improving customers' experience.

Discussion ensued regarding programs for low-income customers and communities, increasing awareness of those programs, how to measure the effectiveness of those programs, and bringing that forward as a future study session or committee topic. Discussion continued regarding the methodology of the survey, and if it was a true representative sample based on Tacoma's demographics and customer categories.

2. [17-0248](#) Tacoma Power and Tacoma Water Rates

At approximately 12:31 p.m., Mr. Gaines provided opening remarks, noting there were some issues and questions about the rates from community members that TPU would like to address. He introduced Chris Robinson, Power Superintendent, and Sean Senescall, Water Rates and Financial Manager. Mr. Gaines provided information relative to the rates review and approval process and 2017 public and customer outreach.

Mr. Robinson discussed Tacoma Power proposed 2017-2018 rates, including cause of rate increases, the ratemaking process and principles, Tacoma Power customer classes, differences in rate classes, residential rate design, increasing the customer charge and the rationale for the increase. He provided examples of increases among lower-income customers, and discussed increases as a fixed charge versus variable charges; geographic impact to low income customers; and mitigations and offsets, including bill assistance programs, and the low-income conservation program.

Discussion ensued regarding the variation for different rates by customer class, fixed charges versus variable charges, impacts to low-income customers, the process of approving rates after approving the budget, rate design, rate policies and deliberations, low-income high-use customers and equity issues caused by housing with poor energy efficiency, and conservation. Council Members expressed interest in seeing other rate options, including increases to the variable charge, and a mixed-approach.

Mr. Senescall discussed Tacoma Water proposed 2017-2018 rates, including cause of rate increase, Tacoma Water customer classes, and rate increases by customer class. He provided an example of increases for an average single-family residential bill, noting that both fixed charges and variable charges are increasing, and the average impact is roughly 4 percent or \$1.49 per month. Finally, he discussed mitigation and offsets, including bill assistance programs.

Discussion ensued regarding the water supply, water usage and rates by customer class, and fire hydrant rates and the differences between customers in Tacoma and outside city limits.

The joint portion of the study session was adjourned at 2:29 p.m.

The study session recessed at 2:29 p.m. and reconvened at 2:37 p.m.

City Council Briefing Items

There were no City Council briefing items.

Committee Reports

There were no Committee Reports given.

Agenda Review and City Manager's Weekly Report

3. [17-0249](#) Weekly Report to the City Council, March 2, 2017

Elizabeth Pauli, Interim City Manager, stated there are no proclamations, recognitions, presentations or announcements on tonight's agenda, and there may be one change to tonight's agenda that will be discussed in a few minutes.

Council Member McCarthy inquired about the schedule to further discuss the interim rule relative to public notice. Ms. Pauli stated that conversation will be scheduled for the March 21, 2017 study session.

Other Items of Interest

Council Member Campbell stated he would like to bring forward an ordinance at tonight's City Council meeting enacting interim regulations regarding public and private correctional facilities for six months or until the City's zoning regulations for such facilities are permanently updated. He discussed how the proposed interim regulations would amend the zoning code and the proposed public process and review that would occur in the next six months. Jeff Capell, Deputy City Attorney, provided additional information about the proposed ordinance, noting it is proposed as an emergency ordinance and will be first and final reading.

Discussion ensued regarding the reasons for this coming forward with an emergency declaration, if the emergency declaration is necessary, if this is a moratorium for public and private correctional facilities in all districts, why this was not included in proposed amendments to the Comprehensive Plan, what the impacts are on public partners who operate jail facilities, any impacts to rehabilitation or transitional facilities and housing for those coming out of correctional facilities, and the need for this land use review in the community beyond any individual facility.

Closed Session - Labor Negotiations

MOTION: Council Member Ibsen moved to convene to Closed Session pursuant to RCW 42.30.140(4)(a and b) to discuss labor negotiations, not to exceed ten minutes.

SECONDED BY: Council Member Lonergan.

ACTION: Voice vote was taken and carried. The motion was declared adopted.

Ayes: 8 - Blocker, Campbell, Ibsen, Lonergan, McCarthy, Mello, Thoms and Walker Lee

Absent: 1 - Mayor Strickland

The City Council convened to Closed Session at 3:12 p.m.

The Closed Session was extended by 5 minutes at 3:22 p.m.

The Closed Session concluded and the study session reconvened at 3:27 p.m.

Adjournment

On proper motion, the study session was adjourned at 3:27 p.m.

Marilyn Strickland, Mayor

Doris Sorum, City Clerk