



City of Tacoma

Government Performance and Finance Committee Minutes

747 Market Street, Tacoma, WA 98402, Conference Room 248
Dial: 253-215-8782 Meeting ID: 844 1669 0206
Webinar Link: www.zoom.us/j/84416690206 Passcode: 614650

April 04, 2023

10:00 AM

Chair John Hines, Vice Chair Joe Bushnell, Kristina Walker,
Sarah Rumbaugh, Kiara Daniels (alternate),
Carlos Watson (ex officio)

Call To Order

Vice Chair Bushnell called the meeting to order at 10:02 a.m.

Roll Call

Present: 3 - Bushnell, Hines and Rumbaugh

Absent: 2 - Walker and Daniels

Council Member Daniels, alternate, arrived at 10:16 a.m.

Chair Hines and Council Member Daniels participated virtually.

Public Comment

There was no Public Comment.

Approval of Minutes

1. [23-0327](#) Approval of the minutes of the December 6, 2022 meeting.
2. [23-0328](#) Approval of the minutes of the December 20, 2022 meeting.

MOTION: Chair Hines moved to approve the minutes of the December 6 and December 20, 2022, meetings.

SECONDED BY: Council Member Rumbaugh.

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

Ayes: 3 - Bushnell, Hines and Rumbaugh

Absent: 2 - Walker and Daniels

Briefing Items

3. [23-0329](#) Tacoma Power Financial Overview
[Nikki Bufford, Power Energy Portfolio Services Manager;
Michelle Brown, Principal Financial Planner, Tacoma Public Utilities]

At approximately 10:03 a.m., Chris Robinson, Superintendent, Tacoma Power, provided opening remarks and introduced Michelle Brown, Lead Financial Planner, and Nikki Bufford, Energy Portfolio Services Manager, Tacoma Power. Together, Brown and Bufford presented the Tacoma Power financial overview and financing plan, including why Tacoma Power participates in the wholesale market, noting supply variability, system reliability, and hydro uncertainty; wholesale market participation risks that are addressed through the energy risk management program; forward hedging, noting addressing price volatility and market liquidity risks; the Rate Stabilization Fund (RSF) and how it is used; management of the debt profile to minimize long-term rates, noting the historical and current debt service; the reduction of future debt service expenses to avoid high future rates; and background on Tacoma Power's use of short-term financing, noting the Wells Fargo Note Purchase Agreement and the KeyBank Note Purchase Agreement.

Council Member Daniels arrived here, at 10:16 a.m.

Brown concluded by describing the 2023 financing plan, including approval requests; and the 2023 financial plan draft schedule.

Discussion ensued regarding how much is currently in the RSF, noting policy on the size of the RSF; bond ratings; if there is policy direction for the level of reserves in the RSF; the reduction of future debt service expenses to avoid high future rates; the initial outlook for the 2024 wholesale market; use of the hedging program; interest rates; if the RSF will be used for utility assistance; if climate change impacts are calculated into the RSF balance; restrictions on the wholesale market revenue; and usage of funds to increase power generation capacity, noting opportunities to create a fund for capacity building.

4. [23-0330](#) Thea Foss Waterway Overview
[Mike Slevin, Director, Environmental Services]

At approximately 10:46 a.m., Mike Slevin, Director, Environmental Services (ES), provided opening remarks and introduced Mary Henley, Civil Engineer, and Dana Deleon, Assistant Division Manager, ES. Together, Henley and

Deleon presented an update on the Thea Foss Waterway project, including an overview, noting steps to cleanup, contaminants, and potential pollutant sources; the cleanup plan; funding of the cleanup; the timeline; and a summary of cleanup. They continued by reviewing the ongoing efforts to monitor and improve the quality of the stormwater discharge to the waterway, including an image of outfalls at the header of the waterway; the stormwater work plan; the source control strategy; stormwater treatment, noting facilities; stormwater trends, noting tests performed and the decrease in trends; statistical evaluations, noting concentrations of pollutants; conclusions, noting the 2022 stormwater report; the maintenance mode, noting conclusions of the program to date; strategies for the future; and goals for issues identified and reporting.

Discussion ensued regarding if there were lawsuits associated to the surface water rates in funding the cleanup, the cleanup efforts by private utility companies, clarification on what visual monitoring means, the stormwater system catching contaminants, the Citywide watershed plan, if the funding for the cleanup will be reallocated or will rates lower as the project goes into a monitoring phase, and clarification on stormwater and wastewater being separate utilites.

Topics for Upcoming Meetings

5. [23-0331](#)
- April 18, 2023 - Tacoma Power KeyBank Note Purchase Agreement Proposed Amendment; Amendments to Tacoma Municipal Code 6A.130; Governmental Accounting Standards Board Update; Monthly Budget Update
 - May 2, 2023 - Review of Letters of Interest for “For” and “Against” Committees for the Tacoma Fire Levy Lid Lift; SAP Now!
 - May 16, 2023 - Interviews for the Public Utility Board; Monthly Budget Update; Overview of Tacoma Water 2023 Refunding Bonds

Joe Franco, Committee Liaison, stated that the next meeting will be on April 18, 2023, and will include presentations on the proposed amendment for the Tacoma Power KeyBank Note Purchase Agreement, amendments to the Tacoma Municipal Code Chapter 6A.130, and updates on the Governmental Accounting Standards Board and the monthly budget; the May 2, 2023, meeting will include a review of letters of interest for "For" and "Against" Committees for the Tacoma Fire Department levy lid lift, and a presentation on SAP Now!; and the May 16, 2023, meeting will include interviews for the Public Utility Board, and presentations on the monthly budget update and the Tacoma Water 2023 refunding bonds. Franco concluded by stating that there will be staffing changes for the Committee Liaison and the City Clerk's Office staff on the Government Performance and Finance Committee.

Other Items of Interest

There were no other items of interest.

Adjournment

There being no further business, the meeting adjourned at 11:26 a.m.



John Hines, Chair



Kimberly Kerby for _____
Jessica Marique, City Clerk's Office