



APPROVED 8-14-19

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 July 24, 2019
 3:00 p.m.

Board Member Larkin called the Public Utility Board study session to order at 3:02 p.m. at the Public Utilities Administration Building.

Present: Mark Patterson, Bryan Flint; Karen Larkin, Chrissy Cooley, Carlos Watson

Low-Income Program Update

Francine, Artis, Assistant Customer Services Manager, summarized the Customer Solutions Office as a team of 12 Customer Service employees who work with seniors, customers with disabilities, and households with limited incomes who are seeking help with utility bills. The team works closely with customers and community partners to provide a holistic approach to providing assistance for utilities provided through TPU and Environmental Services. Ms. Artis reviewed the current assistance programs: Bill Credit Assistance Program (up to \$564 per year); Discount Rate Program (30% discount); and the Financial Education Credit (one-time credit up to \$160). The half year report and comparisons for each of these programs were detailed. In 2018, 121 customers were enrolled in the Bill Credit Assistant Plan; so far in 2019, there are 1,062; a 777% increase. In 2018 there were 381 customers in the Discount Rate Program; so far in 2019, there are 643; a 69% increase. Ms. Artis then provided an overview of marketing and outreach efforts and shared the banners, counter stands, and posters used during outreach. Community outreach events were also summarized. Brochures are now printed in six languages; English, Russian, Khmer, Spanish, Korean, and Vietnamese. Ms. Artis concluded by sharing information that is being researched for future consideration. This includes researching using Washington State median income versus Federal poverty levels for income guidelines and reviewing the possibility of expanding customer donations to be used for all utility services.

Tacoma Power: Energy Risk Management Update

Todd Lloyd, Assistant Power Section Manager, shared that due to dry weather the hydro situation continues to deteriorate. January to June of 2019 is the eighth driest on record, which goes back to 1895. Tacoma Power expects hydro conditions to be in the lowest fifth percentile for the rest of the summer. The federal system, from which we get fifty percent of power, has a similar situation. Tacoma Power's water year is from October through September. Mr. Lloyd shared graphical illustrations of system flows,

reservoir levels, and market prices. Ying Hall, Energy Risk Manager, detailed graphical representations of actual wholesale net revenues. Ms. Hall then provided an overview of the hedging and credit risk management programs. The hedging program is a part of Tacoma Power's energy risk management policy and its objective is to stabilize net revenues from wholesale operations and protect against very low wholesale revenue outcomes. Tacoma Power frequently sells electricity to wholesale trading partners or counterparties and incurs credit exposure. Ms. Hall outlined the ways Tacoma Power manages credit in this program.

Discussion of Board Policies

Board Members provided finalized Strategic Directive 2 (SD2) on Financial Stability and Strategic Directive 3 (SD3) on Rates. Board Members reviewed Strategic Directive 4 (SD4) on Stakeholder Outreach and provided their input. Subject matter experts will finalize the document in preparation for a Board resolution at an upcoming meeting.

Executive Session

Board Member Flint moved to convene an executive session at 4:50 p.m. for 60 minutes for the purpose of reviewing the performance of a public employee per RCW 42.30.110(1)(g)) and discussing pending litigation per RCW 42.30.110(1)(i); seconded by Board Member Patterson. The executive session was adjourned at 5:50 p.m.

Adjournment

The study session was adjourned at 5:50 p.m. until the next regularly scheduled study session on Wednesday, August 14, 2019 at 3:00 p.m.

Approved:

Approved:



Karen Larkin, Chair



Mark Patterson, Secretary