

APPROVED 7-12-17

MINUTES
City of Tacoma
Public Utility Board Study Session
June 21, 2017
3:00 p.m.

Chair Patterson called the Public Utility Board study session to order at 3:00 p.m. at the Public Utilities Administration Building.

Present: Bryan Flint (arrived 3:04), Woodrow Jones, Mark Patterson (exited at 3:50; returned at 5:11), Karen Larkin; Monique Trudnowski

Tacoma Water: Water Conservation Incentives

Natalie Jones, Water Conservation Manager, shared that the water system plan update and the Integrated Resource Plan (IRP) includes a new goal of augmenting the current program to better serve small and medium sized businesses. The rebate program was summarized and an illustration of program savings, using an EnergyStar ice maker as an example, was detailed. The next step in the process is to bring the new program offerings to the Board for consideration at the July 12 meeting.

Tacoma Power: Advanced Metering Infrastructure Special Project Designation

Joe Tellez, Assistant Power Section Manager, provided a summary review of the proposed Advanced Metering Infrastructure (AMI) program at TPU. AMI is a composite technology of meters, communications, networks, and software systems that automate the collection of meter data and provides two-way connection between customers and the utility. AMI enables active customer engagement and enables products and services that enable active customer engagement, awareness of energy and water usage, and tailored communications. AMI will support utility business drivers like end of life challenges with existing metering technology and aging meter population. There is current limited load and demand forecasting capability. AMI is also considered an enabling technology in Power and Water strategic plans. Program costs and quantifiable benefits were outlined. Program costs are based on recent pricing from other projects and include additional TPU staffing and contractors. The next steps include bringing a request for approval of a special project of limited duration status for the AMI program at the July 12 PUB meeting for Board consideration, staffing the AMI program, and launching initial customer and employee education, awareness, and communications. Quarterly program updates are planned.

Moss Adams Auditors Exit Conference

Olga Darlington, Partner with the Moss Adams Accounting Firm, outlined her firm's responsibilities under the U. S. auditing standards. The auditor's entrance conference was December of 2016. Ms. Darlington reported that all TPU operating divisions received unmodified audit opinions, no material weaknesses, fraudulent acts, or significant deficiencies were found.

Tacoma Power: Revenue Bonds

Bill Berry, Rates, Planning and Analysis Manager, outlined Tacoma Power's recommended finance plan which is to approve use of up to \$28M in cash reserves to levelize future debt service payments and seek approval for issuance of \$80.5M Tacoma Power electric System Revenue Bonds to pay down Wells Fargo drawdown facility. Mr. Berry reviewed graphical representations illustrating levelized debt service, drawdown facility, interest rates, use of funds, scenarios for capital financing, expiring short-term and liquidity agreements. Travis Metcalfe, Power Assistant Section Manager, then detailed the Debt Service Reserve Fund, which is a fund established to ensure payment of principal and interest if revenue funds are insufficient. Mr. Berry then reviewed Power's strong financial ratings with Moody's S&P, and Fitch. The presentation concluded with background on the current debt structure and previous bond series.


Executive Session

Mr. Flint made a motion at 5:05 to convene an executive session for 30 minutes to discuss pending litigation per RCW 42.30.110(1)(i); seconded by Mr. Jones. Voice vote was taken and carried. The executive session was adjourned at 5:18. Attorneys present were Joseph Sloan, Deputy City Attorney and Paul Goulding, Deputy City Attorney.

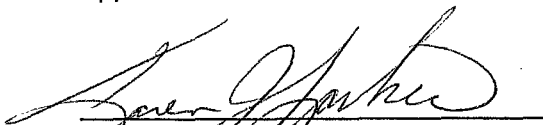
Adjournment

The study session was adjourned at 5:18 p.m. until the next regularly scheduled study session on Wednesday, July 12, 2017 at 3:00 p.m.

Approved:


Monique Trudnowski, Chair

Approved:


Karen Larkin, Secretary