



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

February 21, 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

Chair Hines called the meeting to order at 10:04 a.m.

Roll Call

Present: 4 - Bushnell, Hines, Rumbaugh and Walker

Public Comment

There was no Public Comment.

Approval of Minutes

1. [23-0168](#) Approval of the minutes of the October 4, 2022, meeting.
2. [23-0169](#) Approval of the minutes of the October 18, 2022, meeting.
3. [23-0170](#) Approval of the minutes of the November 1, 2022, meeting.

MOTION: Vice Chair Bushnell moved to approve the minutes of the October 4, October 18, and November 1, 2022, meetings.

SECONDED BY: Council Member Rumbaugh.

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

Ayes: 4 - Bushnell, Hines, Rumbaugh and Walker

Briefing Items

4. [23-0160](#) Energy Imbalance Markets
[Todd Lloyd, Power Section Assistant Manager; Chris Juchau, Power Energy Portfolio Services Manager, Tacoma Power]

At approximately 10:06 a.m., Todd Lloyd, Assistant Section Manager, Tacoma Power, provided opening remarks and introduced Chris Juchau, Energy Portfolio Services Manager, Tacoma Power. Juchau presented on the Western Energy Imbalance Market (WEIM), including an agenda; what the WEIM is, noting it is a real-time energy-only market, is centrally organized, is operated by the California Independent System Operator (CAISO), and launched in 2014; why Tacoma joined the WEIM; strategic directive alignment; the WEIM implementation program; WEIM operations, noting balancing test results; WEIM value add, noting the sales and purchase benefits over Powerdex; and opportunities and challenges, noting the WEIM is complex, western electricity markets are evolving, and the Climate Commitment Act (CCA).

Discussion ensued throughout regarding power transmission distribution in California versus outside of California; how the CAISO management fees are calculated; the size of Tacoma Power in comparison to other utility providers, noting collateral opportunities and friction between the other utility providers; WEIM sales and purchases; the CCA, noting sources of energy used in the WEIM; conservation efforts; the ability to exit out of WEIM if it no longer benefits the City; how many staff are needed on the trading floor; areas not served by WEIM; the status of the Bonneville Power Administration (BPA) joining the WEIM; the WEIM value add, noting the estimate for revenue over ten years, how the revenue is being utilized, and if the revenue can be used to buy down debt or for infrastructure projects; the types of markets; if the CCA was part of the legislative agenda at the state level; the projected growth of the WEIM; the United States energy markets; transmission and power line energy trading and sharing; and if the City is able to receive credit or bonuses from the CCA for bringing low carbon energy to the market.

5. [23-0161](#) Senate Bill 5755 Sales Tax Exemption
[Jeff Robinson, Director, Community and Economic Development]

At approximately 10:44 a.m., Felicia Medlen, Housing Division Manager, Community and Economic Development, presented on Washington Senate Bill (SB) 5755, including an overview; the legislative history and components, noting what it created, the requirements, and issues; recommendations, noting income targeting; residential target areas; the rationale; alignment with the Affordable Housing Action Strategy;

alternatives; and sales tax distribution.

Discussion ensued regarding clarification on the definition of underdeveloped land versus parking lots; issues, noting the deferral of all sales and use taxes during development for a period of ten years; opportunities that developers may have; next steps; if the Tacoma Housing Authority (THA) could use an existing parking lot that is a part of another project and build on it; a partnership between the THA and the City in regards to SB 5755; if vacant gravel lots being used for parking would be considered a parking lot; the usage of parking lots that are connected to abandoned buildings or structures; and affordable housing.

Topics for Upcoming Meetings

6. [23-0162](#) March 7, 2023 - 2022 Audit Entrance Conference; Amendments to Tacoma Municipal Code 6A.50; Amendments to Tacoma Municipal Code 6A.130
 March 21, 2023 - Civil Service Board Quarterly Update; Monthly Budget Update
 April 4, 2023 - Tacoma Power Financial Overview

Joe Franco, Committee Liaison, stated that the next meeting will be on March 7, 2023, and will include presentations on the 2022 audit entrance conference, and amendments to Tacoma Municipal Code Chapters 6A.50 and 6A.130; the March 21, 2023, meeting will include updates from the Civil Service Board and the monthly budget; and the April 4, 2023, meeting will include a presentation on Tacoma Power's Financial overview.

Other Items of Interest

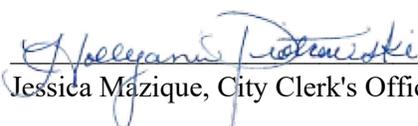
Chair Hines announced that the City Charter review process begins in 2024, noting some of the appointments for it will come from the Government Performance and Finance Committee and a presentation on the review process will be coming this summer. He further requested updates on Real Estate Excise Tax and pole attachments.

Adjournment

There being no further business, the meeting adjourned at 11:25 a.m.



 John Hines, Chair

 for

 Jessica Mazique, City Clerk's Office