

APPROVED 9-24-14

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 September 10, 2014
 3:00 p.m.

Mr. Jones called the Public Utility Board study session to order at 3:05 p.m. at the Public Utilities Administration Building.

Present: Dave Nelson (arrived 3:08), Woody Jones, Mark Patterson, Bryan Flint, Monique Trudnowski (arrived 3:08)

Tacoma Water 2015/2016 Proposed Budget

Linda McCrea, Water Superintendent, provided an overview of the proposed 2015/2016 budget and outlined Tacoma Water's mission, vision, and goals for the biennium. Superintendent McCrea detailed budget biennium-to-biennium budget comparisons. Budget drivers were then summarized. These include data driven decision making, economic development, Green River Filtration Plan operation, wholesale customers, outstanding negotiations, and financial policies. Budget assumptions, budget risks and mitigations, revenue, expenses, staffing levels, operations and maintenance, assessments, taxes, capital budget, financial planning, and bill comparisons were detailed. Superintendent McCrea concluded by summarizing Tacoma Water's budget.

Tacoma Rail 2015/2016 Proposed Budget

Dale King, Rail Superintendent, provided an overview of the proposed 2015/2016 budget and outlined Tacoma Rail's mission and vision, and goals for the biennium. Superintendent King detailed biennium-to-biennium budget comparisons, budget drivers and assumptions, budget risks and mitigation, revenues, expenses, staffing levels, operations and maintenance, assessments, taxes, capital budget, financial planning, and rate comparisons. Superintendent King concluded by summarizing Tacoma Rail's budget.

Tacoma Power: Northwest Energy Efficiency Alliance Contract

Chris Robinson, Power Manager, stated that the Northwest Energy Efficiency Alliance (NEEA) identifies barriers that impede market adoption of energy-efficient products, services, and practices. NEAA strategically intervenes to remove market barriers in

collaboration with our partners. The history of NEEA's success and value delivery to Tacoma Power were summarized. A contract renewing Tacoma Power's participation in NEEA will come before the Board at a future meeting.

Tacoma Power: Capacity Market Offer BPA

Chris Robinson, Power Manager, summarized the generation profile of the Pacific Northwest (PNW), which has historically been dominated by hydro generation. Most other areas in the United States are dominated by thermal generation. Areas with high amounts of coal and other base-loaded generation have tended to form organized markets. The PNW has not formed organized markets. Mr. Robinson summarized changes in the PNW since 2000 when wind development was introduced in the area. To address changes, an Energy Imbalance Market (EIM) was formed. The EIM is a regional within-hour market mechanism intended to assist in integrating wind. The aspects of EIM were detailed as were the risks, administrative structure, participants, costs, and future decisions.

Customer Service: Business Process Exception Management

Steve Hatcher, Customer Services Manager, outlined the project drivers for the Business Process Exception Management (BPEM). Approximately 12 percent of all TPU invoices generate exceptions requiring manual intervention. The BPEM project will reduce the number of exceptions, improve accuracy and speed of our meter-to-bill process through automation, improve reporting, increase accountability within the back office, and reduce overtime. The project schedule and budget were detailed. Authorization for a contract with a management consulting firm and a software firm will be brought before the Board for approval at a future meeting.

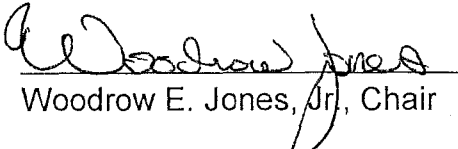
Miscellaneous

Director Gaines reminded the Board that a joint study session with the City Council is scheduled for Tuesday, September 16 at noon. Mr. Nelson reminded the Board that he will not be in attendance that day.

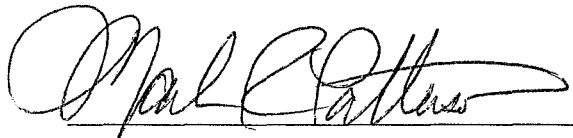
Adjournment

The study session was adjourned at 7:05 p.m. until the next regularly scheduled study session on Wednesday, September 24, 2014 at 3:00 p.m.

Approved:


Woodrow E. Jones, Jr., Chair

Approved:


Mark Patterson, Secretary