



# City of Tacoma City Council Study Session Minutes

733 Market Street Tacoma, WA 98402

Conference Room 16

**June 03, 2014**

**12:00 PM**

---

## Joint Meeting with the Tacoma Public Utility Board

### Call to Order

Mayor Strickland called the joint study session to order at 12:11 p.m.

**Present:** 9 - Boe, Campbell, Ibsen, Lonergan, Mello, Thoms, Walker, Woodards and Mayor Strickland

Public Utility Board Members Present: 5 - Flint, Jones, Patterson, Nelson, and Trudnowski

Public Utility Board Members Absent: 1 - Jones

### Joint City Council/Public Utility Board Briefing Items

- 1. 14-0446** Tacoma Public Utilities Budget Drivers for 2015/2016  
Mayor Strickland announced the first joint study session topic is budget drivers for Tacoma Public Utilities' 2015-2016 budget. Bill Gaines, Director of Tacoma Public Utilities (TPU), provided introductory remarks, noting the Council indicated an interest in seeing an early look TPU's 2015-2016 budget. He then reviewed the TPU budget and rate process; 2015-2016 budget planning, and underlying principles.  
  
Steve Hatcher, Customer Service Manager, reviewed customer service drivers, strategic priorities, measuring customer satisfaction, and 2015-2016 proposed key initiatives.  
  
Ted Coates, Power Superintendent, reviewed the state of the utility for Tacoma Power, including financial health, environmental health, and meeting regulatory requirements. He then reviewed customer focus, including partnering with large customers to facilitate growth, partnering with customers to meet energy efficiency needs and construction timelines, and offering a residential energy conservation program. Mr. Coates then reviewed accomplishments, including Transmission and Distribution cost control initiatives currently underway, I-937 renewable compliance, balanced

scorecard, completion of the back-up control center, and an “Outstanding Stewards of America’s Waters” award for the Cushman Dam from the National Hydropower Association. He concluded with budget drivers, a recent rate comparison, and estimated rate impacts.

Council Member Campbell requested more information on wholesale revenue for Power. Council Member Mello asked how much of the Power supply is carbon-free; and asked staff to be prepared to speak on how the disabled and low-income programs are doing and provide stats on usage during the budget presentations. He then requested information on what is embedded in rate adjustments and noted he would like to see a graph from all utilities during the budget process when there is a rate adjustment proposed. Deputy Mayor Woodards stated she will want to see efforts to decrease costs when rate increases are being proposed. Discussion ensued regarding the impacts of the President's proposed regulations to cut carbon pollution to the utility. Mayor Strickland requested information on the possibility of burying some of the older antiquated lines in strategic parts of the City. Council Member Thoms noted there may be an opportunity for a new Local Improvement District process, for ratepayers to decide on paying to bury lines underground. Council Member Campbell stated he would like to see TPU set a percentage goal of buried lines by 2030. Council Member Ibsen noted he is interested in TPU's plans for leveraging the rate increases and would like to see efficiencies.

Linda McCrea, Water Superintendent, reviewed the state of the utility for Tacoma Water, including financial health and water system health; and customer focus, including maximizing wholesale opportunities, and maintaining strong customer relationships. She then reviewed accomplishments, including the Green River Filtration Facility, Strategic Plan, revenue bond refunding, and receipt of an Excellence in Engineering Award. Ms. Mcrea then reviewed budget drivers, a recent rate comparison, and estimated rate impacts. Discussion ensued regarding whether Tacoma Water has a target for new customers. Council Member Ibsen discussed strategically coordinating General Government and TPU projects to do a more comprehensive job; and asked how Tacoma Water might coordinate with General Government more in the future. Discussion ensued regarding the Green River Filtration Plant and whether customers can expect a change in look, taste, smell, quality of the water; and why operating the filtration plant is one of the largest cost drivers.

Dale King, Tacoma Rail Superintendent, reviewed the state of the utility for Tacoma Rail, including financial health and rail system health. He then reviewed budget drivers, including market unpredictability, unfunded mandates, aging assets, intermodal whims, and oil trains. He concluded by reviewing budget and rate impacts.

Mayor Strickland adjourned the joint meeting at 1:38 p.m. and stated there would be a five minute recess.

## City Council Briefing Items

2.      **14-0448**      2014 Annual Comprehensive Plan & Land Use Regulatory Code Amendment
- Mayor Strickland called the regular study session to order at 1:43 p.m. and stated the first item of the regular session is 2014 Comprehensive Plan and Land Use Regulatory Code amendment and called on Brian Boudet, Planning Manager, Planning and Development Services (PDS) for introductory remarks.

Lihuang Wung, PDS, provided background information on the Comprehensive Plan and Tacoma Municipal Code, the annual amendments and their purpose, the process for 2014, and outreach. He then reviewed the ten proposed amendments for 2014 in detail. Mr. Wung concluded with next steps. Discussion ensued regarding the number of Mixed-Use Centers. Council Member Walker stated she hopes affordable housing for Point Ruston goes beyond the Multi-Family Housing Eight year limited tax exemption. She noted when the Council considers a vote on this topic, she would like to see more language beyond the Multi-Family Housing tax exemption. Mayor Strickland stated the Council needs to take time as a full Council to meet and discuss affordable housing. Discussion ensued regarding incentivizing planting large trees; and pipe stem lots.

## Other Items of Interest

There were no other items of interest.

## Agenda Review and City Manager's Weekly Report

Assistant City Manager Tansy Hayward stated there are no proclamations, recognitions, presentations, or announcements; and no changes to the agenda at this time.

3.      **14-0456**      Weekly Report to the City Council, May 29, 2014

Mayor Strickland stated today's Committee of the Whole meeting will begin at 3:15 p.m.

## **Adjournment**

On proper motion, the study session was adjourned at 2:27 p.m.

---

Marilyn Strickland, Mayor

---

Doris Sorum, City Clerk