



APPROVED 6/14/23

MINUTES
City of Tacoma
Public Utility Board Study Session
May 24, 2023
3:00 p.m.

Chair Watson called the Public Utility Board study session to order at 3:00 p.m. in the third-floor conference room (LT1) of the Public Utilities Administration Building.

Present: William Bridges, Elly Claus-McGahan, Carlos Watson

Excused: John O'Loughlin, Holland Cohen

Equity in Contracting

Kacee Woods, Equity in Contracting and Workforce Programs Manager, provided historical background of the Equity in Contracting (EIC) program. EIC replaced the Small Business Enterprise Program and is contained in TMC 1.07. Ms. Woods summarized 2022 actions and program outcomes. Priorities for 2023 were then outlined. External efforts include implementing outreach strategies, expanding networks with social-affinity groups, collaborating with the Anchor Network partners on local, inclusive procurement, and to increase engagement with community and external stakeholders. Internal efforts include increasing engagement with internal stakeholders and to improve tracking and develop dashboards. TMC 1.07 and the purchasing policy will also be reviewed. Next steps include publishing a disparity study RFP.

Q1 2023 Budget Performance Report and Financial Outlook

Tacoma Water: Jodi Collins, Asst. Water Division Mgr, provided a biennium summary of financial outlook. The forecast for total revenue is \$1.5M or one percent over budget. Forecast for operating expenditures is \$364,000 under budget. Graphical representations of billed revenue and billed demand were detailed. Ms. Collins then reviewed the 2023/2024 biennium forecast vs. budget specific to total revenue, personnel expenses, and supplies, services, and other charges, total revenue less total expenditures, capital outlay, and projected cash ending cash balance.

Tacoma Power: Michelle Brown, Financial Planning Supervisor, provided a biennium summary of financial outlook. The forecast for total revenue is \$132.3M more than budget. The forecast for total expenditures is \$38M more than budget. Graphical representations of 2023/2024 electric retail revenues and 2023/2024 gross wholesale

revenues were detailed. Ms. Brown then reviewed the 2023/2024 biennium forecast vs. budget, aging of accounts receivable, and projected liquidity balance.

Tacoma Rail: Dan McCabe, Rail CIO/CFO, provided an overview of 2023/2024 biennium summary of assumptions. The forecast for total revenues is \$1.3M or two percent above budget. The forecast for total expenditures is \$1.4M or two percent under budget. Mr. McCabe then provided a biennium summary of rail volumes and reviewed graphical representations of intermodal volumes and commercial volumes. Mr. McCabe concluded by reviewing the 2023/2024 biennium forecast vs. budget, and projected liquidity balance.

Performance Metric Review Update and Q1 2023 Performance Metrics Summary

Ebony Peebles, Business Services Manager, provided background on the reporting of performance metrics to the Board. The practice was introduced with the 2015/2016 biennium in collaboration with the Board and subject matter experts utilizing industry research and benchmarks. The update clarifies language, refreshes graphs, aligns benchmarks, highlights a shift in business activity, and expounds upon existing metrics. Ms. Peebles then reviewed the performance metrics for the first quarter of 2023. Q1 performance was favorable across all metrics. Power outage durations show lingering impact of 2022 events. Water O&M cost per account is reflective of benchmark alignment. Employee safety incidents remain lower than past trends. Call center response times are starting to rebound. Employee survey concerns are addressed through division specific action plans.

General Board Comments/Discussion and Director's Reports

Director Flowers introduced Alex Yoon, the new Deputy Director for Administration.

Adjournment

The study session was adjourned at 5:35 p.m.

Approved:



Carlos Watson, Chair



Holland Cohen, Secretary