



APPROVED 1-29-14

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 January 15, 2014
 3:00 p.m.

Mr. Jones called the Public Utility Board study session to order at 3:04 p.m. at the Public Utilities Administration Building.

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

Tacoma Water: Filtration Plant Update

Chris McMeen, Deputy Water Superintendent, made introductory remarks and detailed the project budget to date. Randy Krueger, Project Manager reviewed the project progress. Seventeen months of construction are now complete. The project is at 65 percent completion level and remains on schedule and under budget. Photos of the work site and construction were reviewed. Mr. McMeen then detailed project funding and concluded by summarizing the areas of focus and upcoming activities.

Mr. McMeen provided background to the Board on the chemical spill in Charleston, West Virginia that affected the water supply on January 9, 2014. Risks to the Tacoma water supply and risk mitigation factors were summarized.

Tacoma Water: Wholesale Water Pricing

Bill Gaines, Director of Utilities/CEO, made introductory remarks. Chris McMeen, Deputy Water Superintendent, stated available and contracted water capacity is underutilized. Graphical representations of water supply and demand and historical versus contracted wholesale demands were detailed. Sean Senescall, Rates and Financial Planning Manager, provided an overview of current contracts and rates and market supply and demand. Market analysis methodology conducted with Auburn as a case study was detailed. Bill Fosbre, Chief Deputy City Attorney, provided an overview of legal considerations. Staff recommendations and next steps were outlined.

Code Changes for Tacoma Power, Water, and Customer Service

Tony Lindgren, Water Distributing Engineering Manager, began by explaining that there is a lack of uniform process across TPU for updating fixed fees and there are multiple fee setting authorities. Staff from Power, Water, and Customer Services formed a team to discuss and draft a uniform process for fee updates at TPU. Environmental Services was an active contributor to the team and the City Attorney's office ensured legal compliance. Examples of fixed fees were provided as was the current steps for fee process updates. The new proposed steps for fee updates were outlined and a summary of recommend changes was provided.

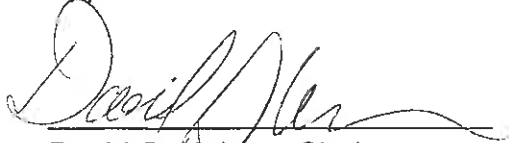
Miscellaneous

Director Gaines updated the Board on the Charter Review team, salary adjustments for non-represented employees, and participation on the American Public Power Association Board of Directors.

Adjournment

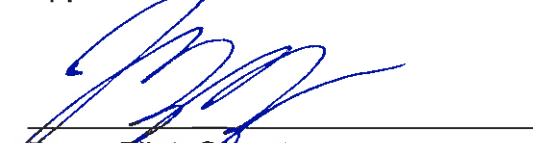
The study session was adjourned at p.m. 6:00 until the next regularly scheduled study session on Wednesday, January 29, 2014 at 3:00 p.m.

Approved:



David S. Nelson, Chair

Approved:



Bryan Flint, Secretary