

APPROVED 4-8-15

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 March 25, 2015
 3:00 p.m.

Mr. Flint called the Public Utility Board study session to order at 3:08 p.m. at the Public Utilities Administration Building.

Present: Dave Nelson (arrived 3:20), Mark Patterson, Bryan Flint, Monique Trudnowski
 Excused: Woody Jones

Total Quality Annual Report

Crystal Vaarvik, Total Quality (TQ) Program Manager, made introductory remarks and introduced members of the TQ council. Ms. Vaarvik stated that TQ supports TPU in encouraging an open and collaborative environment that fosters continuous improvement for positive changes to benefit customers and employees. Results from recent TQ teams were highlighted. To illustrate a recent TQ process, members from Power's conservation staff outlined a TQ team that worked to lead the development of an improved trade ally relationship strategy. Ms. Vaarvik concluded the presentation by outlining the TQ strategy in 2015.

Tacoma Power: Cushman License Implementation Update

Pat McCarty, Generation Manager, provided the historical background on Tacoma Power's Cushman Hydroelectric Project license implementation and the keys to the settlement with the Skokomish Tribe. An amended license was issued in 2010 with a 2048 expiration date. Ryan McLaughlin, Project Manager, detailed the operations of the North Fork Powerhouse, upstream fish passage, construction of the Saltwater Park salmon hatchery, Cushman floating surface collector and downstream fish passage, Lake Cushman reservoir, debris barrier, and floating surface collector and detailed the contract for each of these elements. Keith Underwood, Natural Resources Manager, concluded the presentation by sharing the project timeline and a fly through video of the floating surface collector installation.

Tacoma Power: Click! Cable TV Rate Adjustment

Pam Burgess, Business Operations Manager, outlined the factors that drive the request to raise Click! Cable TV rates. Cost of cable TV programming has increased by 17.8%. The proposed rate adjustment is an average of 17.5% to recover costs. Ms. Burgess shared graphs illustrating revenue requirements, programming costs per subscriber, programming

costs per month, cost of service, revenue comparisons, and revenue. The cost for primary rate packages, digital and premium packages, a la carte premium channel packages, and the proposed rate schedule for equipment were detailed. Historical rate changes and cable bill comparison was then shared. Changes to the low income/disabled rates were summarized. Ms. Burgess concluded the presentation by outlining the next steps in the rate review process.

Tacoma Power: Power Financial Plan Follow-up

Bill Berry, Rates, Planning, and Analysis Manager, summarized the five resolutions on the evening agendas and offered to provide any clarification required by the Board.

Miscellaneous

Director Gaines summarized recent stories on King 5 and USA Today regarding Tacoma Power's reporting of copper thefts to the U.S. Department of Energy skewed the results of a report about the number of attacks on the power grid. What the USA Today report didn't show is that 90% of the 54 incidents Power reported were copper thefts, which other utilities were not reporting.

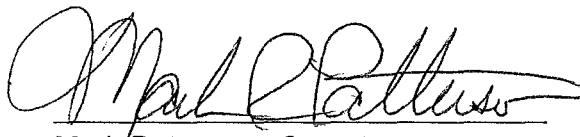
Adjournment

The study session was adjourned 5:50 at pm until the next regularly scheduled study session on Wednesday, April 8, 2015 at 3:00 p.m.

Approved:


 Woodrow E. Jones, Jr., Chair

Approved:


 Mark Patterson, Secretary