



APPROVED 6-21-17

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 May 24, 2017
 3:00 p.m.

Chair Patterson called the Public Utility Board study session to order at 3:00 p.m. at the Public Utilities Administration Building.

Present: Bryan Flint (arrived 3:03), Woodrow Jones, Mark Patterson, Karen Larkin; Monique Trudnowski (arrived 3:37)

Quarterly Financial Outlook

Tacoma Water: Chris McMeen, acting Water Superintendent, detailed the forecast assumptions, summary of outlook, water retail sales and revenues, and revenue and expense summary for the first quarter of 2017. Water sales are projected to be \$645K higher than budget and total expenditures are projected to be \$621K under budget for the biennium. Graphical representations of billed revenue and billed demands were shared. Mr. McMeen concluded by summarizing the estimated current fund cash projection.

Tacoma Power: Chris Robinson, Power Superintendent, detailed the assumptions, electric retail revenues, wholesale revenues, and revenue and expense detail. Graphical representations of electric retail revenues and wholesale revenues were shared. Currently revenues are over budget in that there was cooler than anticipated weather that increased expected heating loads and there was higher than normal precipitation in the first quarter. Expenses are under budget, mainly due to an average five percent vacancy rate for personnel and underspending on current funded capital projects through March. Mr. Robinson concluded by summarizing the projected liquidity balance.

Tacoma Rail: Dale King, Rail Superintendent, summarized the budget assumptions. The financials, broken down by traffic analysis (both intermodal and commercial) were detailed. Graphical representations of intermodal and commercial volumes were shared. There was an increase in both intermodal and commercial volumes and locomotive servicing was strong in the first quarter. Volume allowance is likely to be \$2.5M to match the budget for 2017. Mr. King concluded by summarizing the estimated current fund cash projection.

Performance Metrics Update: Jim Sant, Deputy Director for Administration, provided a summary of TPU's performance metrics for the first quarter of 2017 for each of the operational divisions. The main metrics for each division are financial performance, operational excellence,

and commitment to customers and employees. Mr. Sant summarized reasons for any significant changes from the last quarterly check-in, discussed potential causes and effects, and explained how the information is analyzed internally to study how metrics are trending and any adjustments that may be needed.

Facilities General Construction Contract

Ryan McLaughlin, Power Supervisor, outlined the scope of the facilities construction contract for general facilities construction and the renovation of the auditorium. Mr. McLaughlin then described the bid process and provided the engineer's cost estimate. Facilities construction contract spending history, and a review of past renovation contracts were reviewed. Potential future products include PayBox expansion and ADA improvements. Photos of the Council Chamber renovation was shared as an example of auditorium renovations as were sample renderings of the auditorium renovation.

Tacoma Power: Technology Professional Services Contracts

John Lawrence, Utility Technology Services Manager, introduced Tony Landrith, Assistant Power Section Manager. The technology portfolio accomplishes key TPU initiatives, performance improvements, enhanced customer experience, and modernized platforms. During budget planning, analysis identified need for staff augmentation beyond current staffing levels to complete a large technology portfolio. Mr. Landrith outlined the project management office objectives. Mr. Lawrence summarized the competitive RFP process that led to staff recommendations for RadGov, Inc., MW Partners, INC., and KRE Consulting, Inc., These contracts are on the Board's evening agenda for consideration.

Adjournment

The study session was adjourned at 5:02 p.m. until the next regularly scheduled study session on Wednesday, June 14, 2017 at 3:00 p.m.

Approved:



Monique Trudnowski, Chair

Approved:



Karen Larkin, Secretary