



APPROVED 3-13-19

MINUTES  
City of Tacoma  
Public Utility Board Study Session  
February 27 2019  
3:00 p.m.

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

Present: Woodrow E. Jones, Jr., Christine Cooley (arrived 3:24), Mark Patterson, Karen Larkin

Excused: Bryan Flint

**Tacoma Water: Water Wholesale Pricing and Policy Initiative**

Sean Senescall, Water Finance and Analytics Manager, and Lyna Vo, Utilities Economist, began by stating the objective of the wholesale pricing and policy initiative which is to increase net revenue in the wholesale market while responsibly managing supply risk. Mr. Senescall reviewed graphical illustrations representing average demand, contracted capacity and demand, recent wholesale history, challenges facing the wholesale market, pricing/rate design, proposed rate structure, forecast comparisons, and managing risk supply. There are three wholesale customer decision points: 1) TMC pricing model; 2) reverse capacity amortization, and 3) market-based pricing model. Each of these decision points was detailed. The targeted implementation date of the pricing and policy revisions is January 1, 2020.

**Detached Accessory Dwelling Unit Regulations**

Anita Gallagher, Regional Relations Manager, outlined the proposed Detached Accessory Dwelling Unit (DADU) regulations. The regulations would allow DADUs in single-family zoning areas. The owner occupancy requirement would be removed and design standards to which to adhere. TPU staff have been working with Planning and Development and Environmental Services to discuss how the utilities will serve DADUs in service connections and billing. The regulations would meet the City's affordable housing action strategy and there is Council interest in exploring utility fee waivers for DADUs rented at 50 percent of area median income. The first reading of land use regulations is scheduled for March 5 and utilities work on the incentive program and administration is from May to June 2019. The Board provided approval to move forward with staff work on this project and to continue coordination with General Government.

**Advanced Metering Infrastructure Rate Impact Analysis**

Jodi Collins, Water Division Manager, provided an overview of the estimated rate impacts with Automated Metering Infrastructure (AMI) on Tacoma Water. The average annual rate increase would be approximately 0.28 percent each year or \$1.32 each year/\$0.11 per month for an average residential bill. In 2028, the compounded average rate adjustments for all classes would be approximately \$3.33 higher than they would have been over ten years. Michelle Brown, Power Analyst, provided an overview of the estimated rate impacts with AMI on Tacoma Power. The average annual rate increase would be approximately 0.08 percent each year or \$0.96 each year/\$0.08 per month for an average residential bill. In 2028, the compounded average rate adjustments for all classes would be approximately 0.55% higher than they would have been over ten years.

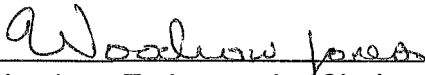
**Executive Session**

Board Member Larkin moved to convene an executive session at 5:00 p.m. for 45 minutes for the purpose of discussing pending and potential litigation per RCW 42.30.110(1)(i)); seconded by Board Member Patterson. Voice vote to convene an executive session was taken and carried. The executive session was adjourned at 5:27 p.m.

**Adjournment**

The study session was adjourned at 5:27 p.m. until the next regularly scheduled study session on Wednesday, March 13, 2019 at 3:00 p.m.

Approved:

  
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Woodrow E. Jones, Jr., Chair

Approved:

  
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Bryan Flint, Secretary