



City of Tacoma

Government Performance and Finance Committee Minutes

747 Market Street, Tacoma WA 98402, Conference Room 248

Dial: 253-215-8782 Meeting ID: 827 5299 8740

Webinar Link: www.zoom.us/j/82752998740 Passcode: 614650

June 21, 2022

10:00 AM

Chair John Hines, Vice Chair Kristina Walker, Joe Bushnell,
Sarah Rumbaugh, Kiara Daniels (alternate),
Mark Patterson (ex officio)

Call To Order

Chair Hines called the meeting to order at 10:02 a.m.

Roll Call

Present: 4 - Bushnell, Hines, Rumbaugh and Walker

Vice Chair Walker participated virtually.

Approval of Minutes

1. [22-0694](#) Approval of the minutes of the April 5, 2022, meeting.
2. [22-0695](#) Approval of the minutes of the April 19, 2022, meeting.

MOTION: Council Member Bushnell moved to approve the minutes of the April 5, 2022, and April 19, 2022, meetings.

SECONDED BY: Council Member Rumbaugh.

ACTION: Voice vote was taken and carried. The motion was declared adopted.

Ayes: 4 - Bushnell, Hines, Rumbaugh and Walker

Briefing Items

3. [22-0688](#) Moss Adams 2021 Exit Audit Conference
[Olga Darlington, Partner, Moss Adams LLP]

At approximately 10:04 a.m., Olga Darlington, Partner, Moss Adams LLP, presented the 2021 audit exit conference, including the auditor's report on the financial statements; the areas of audit emphasis, noting internal control environment, treasury, capital assets, debt activity, net pension and other post employment benefits liabilities, and revenues and expenses; significant accounting policies and unusual transactions; management judgments and accounting estimates, including risks; uncertainties; and disagreements with management; other communications; audit adjustments and passed audit adjustments; upcoming accounting pronouncements; and acknowledgments.

Discussion ensued regarding management judgment.

4. [22-0689](#) Tacoma Public Utilities Rate Design
[Andrew Zaremba, Utilities Economist, Tacoma Water;
Christina Leinneweber, Senior Utilities Economist, Tacoma Power]

At approximately 10:23 a.m., Jim Sant, Deputy Director, Tacoma Public Utilities (TPU), provided opening remarks and introduced Andrew Zaremba, Utilities Ecologist, Tacoma Water, and Christina Leinneweber, Senior Utilities Economist, Tacoma Power. Together Zaremba and Leinneweber presented on the TPU rate design, including an overview of the rate-making process, rate design primary takeaways, mismatched costs and revenues, inclining block rate design, fixed versus variable cost recovery, and fixed rates and bill determination.

Discussion ensued regarding rate charging, equity, and affordability; billing fixed costs versus variable costs; and public outreach regarding water.

Leinneweber continued by presenting demand charges; designs used at Tacoma Power, noting two-part versus three-part rates; fixed and variable costs and revenues, customer charges equal electrification costs less, customer charges, noting electrification and heating bills; how customer charges can enhance affordability; and next steps.

Discussion ensued regarding making electric heat cost effective and affordable, offering assistance to residents upgrading power and heating systems for older homes, upcoming plans for public outreach, variable rate changes for residential customers versus industrial customers, practices of

other municipalities, the implementation of advanced metering infrastructure (AMI) and how AMI data can be used, how climate change affects energy demands, and how information is used from variable rates for rate-making decisions.

Topics for Upcoming Meetings

5. [22-0690](#) July 5, 2022 - Digital Equity Program Refresh & Recommendation;
Tacoma Public Library & Digital Equity Part 2
July 19, 2022 - Monthly Budget Update; TPU Utility Burden/Customer Assistance;
Redistricting

Cathy Sims, Committee Liaison, stated that the next meeting will be on July 5, 2022, and will include updates on the Digital Equity Program and the Tacoma Public Library and digital equity; and the July 19, 2022, meeting will include updates on the monthly budget, TPU utility burden and customer assistance, and redistricting.

Chair Hines reminded the Committee that there will be no City Council meeting on July 5, 2022.

Other Items of Interest

There were no other items of interest.

Public Comment

There was no Public Comment.

Adjournment

There being no further business, the meeting adjourned at 11:18 a.m.

John Hines, Chair

Kiaira Thomas, City Clerk's Office