

APPROVED 9-27-17

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 September 13, 2017
 3:00 p.m.

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

Present: Karen Larkin; Monique Trudnowski; Woodrow E. Jones, Jr., Bryan Flint, Mark Patterson

Tacoma Power: Pole Attachment Fees Update

Jarrod Fauver, Power Engineer, described joint use as the sharing of space on a single set of poles with communication utilities. Attaching entities pay the pole owner a yearly fee to use the allocated pole space. Mr. Fauver reviewed pole attachment locations and types of pole attachments: wireline; wireless (antennas); and auxiliary enclosures. Staff is recommending changes to the pole attachment program because of telecommunications deployment of new wireless technology and requests to attach to Tacoma Power poles. Other reasons include telecommunication industry sponsored small cell legislation during the 2017 legislative session and recent growth in the number of received wireline applications. Regulatory authority set by the Federal Communications Commission and State of Washington was summarized. Marian Dacca, Government Relations Analyst, then provided an overview of state and federal policy activity on pole attachments. Fee methodologies for both wireline and wireless attachments were detailed by Mr. Fauver. Wireline staff recommendations: 1) Adopt the state methodology to calculate the attachment fee; 2) Eliminate the 'governmental fee' in favor of one fee independent of organization or service type. Auxiliary enclosure staff recommendation: Calculate fee based on the wireline fee times the vertical pole space occupied. More information is needed before staff can make a recommendation on wireless equipment. The Board requested staff to bring back the analysis that went into the recommendation about elimination of the governmental fee. Financial impacts by customer were then reviewed. There will be a request for Board consideration approving the pole attachment fee schedule at a future meeting.

Tacoma Power: Proposed Power Budget and Rate Process

Bill Berry, Power Rates, Planning, and Analysis Manager, reviewed the presentation objectives, which are to present ideas to the Board on how to best meet the policy-maker requests for the 2019/2020 budget and rate process and solicit feedback by the Board.

The Long Range Financial Plan (LRFP) is designed to provide comprehensive information and serve as a helpful guide in decision making. It will influence budget planning, ratemaking, capital investments, financing, and other aspects of the financial strategy.

Three rate policy workshops are proposed. Workshop number one is a ratemaking overview applicable to both Power and Water. This would entail a brief overview of the cost-of-service study and rate design; facilitated discussion of overarching principles. Workshop number two is the examination of pros and cons of the study rate design. It would involve exploration of different rate structures, including discussion of potential benefits and negative impacts for each. Potential rate structures for deployment and use of AMI is also involved. The third workshop would focus on the 2019/2020 rate process. There would be a review of several potential projects for possible implementation as part of the rate case. It would also enable the Board to provide guidance to staff about project priority. The proposed budget and rate timeline was then reviewed.

Tacoma Power: Fleet Purchasing Update

Don Ashmore, Fleet Manager, summarized changes to processes for fleet purchases. Currently, purchase requests are created by workgroup. A fleet order is created and the vehicle is purchased. This process does not account for other similar type vehicles purchased from the same vendor in other workgroups. Going forward, contracts for all similar vehicle purchases will be consolidated by vendor and brought to the Board for approval if over \$200,000. Divisions will evaluate and approve vehicle purchases as vehicles are identified for replacement.

Miscellaneous

Chris McMeen, Deputy Water Superintendent, provided an update on the Sawmill Creek Fire by the Green River Watershed. As of Tuesday morning September 12, the fire was approximately 915 acres in size and zero percent contained. Tacoma Water will continue coordinating with local, state, and federal emergency responders and we will keep the Board updated as the situation warrants. Impact to water quality is not anticipated at this time, but staff is prepared if that changes.

In response to an inquiry regarding mutual aid for power restoration in hurricane-affected areas, Director Gaines reported that currently there are no crews going to Texas or Florida. As a member of the APPA Board, the Director has received updates on the daily electric utility industry mutual aid coordination calls and messages relating to the hurricane Harvey and Irma relief efforts. At this point, the industry mutual aid coordinators have not reached out to our region for assistance due to the geographic distance that our crews would need to travel, and the associated time delay in getting our crews there.

Chair Trudnowski queried Board Members for any discussion or follow-up items that should be placed on future Board agendas.

Chair Trudnowski requested to have a follow-on discussion on the economic development presentation staff provided earlier in the year so that clear policy direction can be provided.

Ms. Larkin requested to have employment agreements and a possible policy discussed and requested HR engagement to see what other public utilities have in place and to what level in

the organization has these agreements. Board Members discussed the prudence of involving Legal in the discussion to make sure policies align with existing codes.

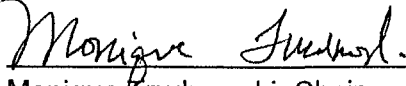
Board Member Jones requested to keep low-income ratepayers in mind when developing programs. Board Members agreed it would be good to connect our low-income data with census data and present that data to the Board and to include demographics for both inside and outside the city limits as half of TPU customers are outside the city limits.

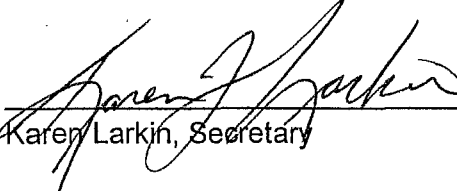
Adjournment

The study session was adjourned at 5:12 p.m. until the next regularly scheduled study session on Wednesday, September 27, 2017 at 3:00 p.m.

Approved:

Approved:


Monique Trudnowski, Chair


Karen Larkin, Secretary