



City of Tacoma

Government Performance and Finance Committee Minutes

747 Market Street Tacoma, WA 98402

Conference Room 248

March 19, 2019

10:00 AM

Chair Anders Ibsen, Vice Chair Lillian Hunter, Keith Blocker,
Ryan Mello, Robert Thoms (alternate)

Call To Order

Chair Ibsen called the meeting to order at 10:01 a.m.

Present: 4 - Blocker, Hunter, Ibsen and Mello

Briefing Items

19-0241

Environmental Services Financial Policy Update

[Mike Slevin, Environmental Services Director]

At approximately 10:01 a.m., Mike Slevin, Director, Environmental Services, made opening remarks and presented an update on the Environmental Services Department Policy, including background; the strategy and mission plan; and changes to the policy, including affordability rates, increased operating cash, an added rate stabilization target, flexible pay-as-you-go funding, updated debt coverage, and a clarified cash investment policy.

Discussion ensued regarding the difference between the reserve fund versus the stabilization fund and the affordability rates.

19-0242

Tacoma Water Wholesale Pricing and Policy Revisions

[Sean Senescall, Finance and Analytics Manager; and Lyna Vo, Utilities Economist, Tacoma Water]

At approximately 10:10 a.m., Sean Senescall, Finance and Analytics Manager, and Lyna Vo, Utilities Economist, Tacoma Water, made introductory remarks and presented the wholesale pricing and policy initiative, including the percentage of wholesale sales and demand, the decline of water demand, and unmet capacity. Ms. Vo presented on modernizing the rate design, including current pricing, proposed pricing, and the potential impact to customers; how

the proposal represents a balanced approach; and the expected date for requesting recommendations from the Council. Mr. Senescall outlined the choices wholesale customers will have; the potential opportunity for revenue; and how to responsibly manage supply risk. He concluded by reviewing a timeline of upcoming initiative milestones and a request for feedback on the work done so far.

Discussion ensued throughout on the impact to customers, how rate charges are calculated, recommendations for the next presentation, provision of an example of a market-based pricing model for wholesale customers, and feedback already heard from the Tacoma Public Utility Board.

Topics for Upcoming Meetings

19-0243

April 2 - Participatory Budgeting

April 16 - Non-Emergent Lift Fee Update

Bucoda Warren, Committee Liaison, stated the presentation participatory budgeting will be moved to June, and the April 16, 2019 meeting will include an update on the Non-Emergent Lift Assistance Fee.

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 10:47 a.m.



Anders Ibsen, Chair



Katie Foster, City Clerk's Office