



RESOLUTION NO. U-11132

1 A RESOLUTION adopting Public Utility Board's Board-Director Linkage
2 policies.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
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9 WHEREAS the Board-Director Linkage ("BL") policies clarify how the
10 Board expects the Director of Utilities to carry out the work of TPU, and

11 WHEREAS BL1 outlines expectations of the Board, such as monitoring
12 and measuring the results of the Strategic Directives, and ensuring that
13 decisions are in alignment with the City Charter, City Code, Board policies, and
14 applicable law, and
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16 WHEREAS in addition, BL 1 also outlines expectations of the Director
17 such as: communicating regularly and effectively with the Board on the
18 business of TPU; managing the implementation of systems and policies that
19 enable TPU to conduct its activities both lawfully and ethically; leading the
20 implementation of TPU's vision, mission, and strategy; managing all operations
21 and business affairs of TPU with a primary focus on leadership of the TPU
22 executive management team to implement TPU strategic directives; and
23 preparing and submitting the TPU operating divisions strategic plans to the
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1 Board for review and approval to ensure all TPU expenditures are within the
2 authorized biennial budget, and

3 WHEREAS BL 2 clarifies that the Board directs the Director of Utilities
4 through written policies that define the results that the organization is to
5 achieve, and that are consistent with the delegations of authority that the Board
6 has previously made to the Director, and

7 WHEREAS BL 2 also clarifies that the Director's actions shall be
8 consistent with the delegations of the Board, and that the Director's Office will
9 develop and maintain an up-to-date list of delegations that have been made by
10 the Board to the Director, and that the Board will review the Board delegations
11 that have been made to the Director as necessary, and

12 WHEREAS these policies were developed at regularly-scheduled Board
13 study sessions and/or properly-noticed public meetings and all future Board
14 reviews and amendments will be handled similarly, and

15 WHEREAS the Board has committed to monitor and ensure compliance
16 with Board policies. This oversight provides an opportunity for the Board and
17 staff to clarify, revise and develop new policies when necessary as TPU
18 navigates changes in the utility industry, and

19 WHEREAS the Board and Director have determined that adopting the
20 Public Utility Board's Board-Director Linkage policies is in the best interests of
21 Tacoma Public Utilities and the ratepayers; Now, Therefore,

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1 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

2 That Public Utility Board's Board-Director Linkage policies, in the form as
3 on file with the Clerk, are adopted and approved.

4 Approved as to form:

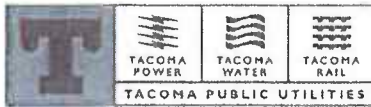
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6 _____
7 Chief Deputy City Attorney


Chair

Secretary

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Clerk

Adopted 1-8-2020

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Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: January 8, 2020
DATE: December 17, 2019

SUMMARY: A resolution adopting Public Utility Board's Board-Director Linkage (BL) policies

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

The BL policies clarify how the Board expects the Director of Utilities to carry out the work of TPU. BL.1 outlines expectations of the Board, such as monitoring and measuring the results of the Strategic Directives, and ensuring decisions are in alignment with the City Charter, City Code, Board policies, and law. BL.1 also outlines expectations of the Director, such as communicating regularly and effectively with the Board on the business of TPU, managing the implementation of systems and policies that enable TPU to conduct its activities both lawfully and ethically, leading the implementation of TPU's vision, mission, and strategy, manage all operations and business affairs of TPU with a primary focus on leadership of the TPU executive management team to implement TPU strategic directives, and preparing and submitting the TPU operating divisions strategic plans to the Board for review and approval to ensure all TPU expenditures are within the authorized biennial budget. BL.2 clarifies that the Board directs the Director of Utilities through written policies that define the results that the organization is to achieve and which are consistent with the delegation of authority that the Board has previously made to the Director. In addition, the Director's actions shall be consistent with delegations of the Board. The Director's office develops and maintains an up to date list of delegations that have been made by the Board to the Director and the Board will review the Board delegations that have been made to the Director as necessary.

These policies were developed at regularly scheduled Board study sessions and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS: Board-Director Relationship (BL1); Delegations to the Director of Utilities (BL2)

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

<p>Category: Board-Director Linkage</p> <p>Date of Adoption: January 8, 2020</p> <p>Revision Date:</p> <p>Resolution No.: U-11132</p>	<p>Title: Board-Director Relationship</p> <p>Policy Number: BL - 1</p>
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For the purposes of this policy:

The Board shall:

1. Approve the vision and mission of Tacoma Public Utilities (TPU) and establish the strategic directives TPU is to achieve, communicating them in the form of policy.
2. Monitor and measure the results of the Strategic Directives (SD).
3. Ensure decisions are in alignment with the City Charter, City Code, Board policies, and laws.
4. Appoint, evaluate, decide whether to reconfirm and, when necessary, discharge the Director of Utilities.
5. For purposes of inquiry, seek information from staff consistent with section 4.19 of the City Charter and should funnel such requests through the Director of Utilities or members of the senior leadership team.
6. Approve all attorneys from the City Attorney's Office assigned to act as counsel to TPU.

The Director of Utilities shall:

1. Lead the implementation of TPU's vision, mission, and strategy.
2. Manage all operations and business affairs of TPU, with a primary focus on leadership of the TPU executive management team to implement TPU strategic directives.
3. Communicate regularly and effectively with the Board on the business of TPU.
4. Manage the implementation of systems and policies that enable TPU to conduct its activities both lawfully and ethically.
5. Prepare and submit the TPU operating divisions strategic plans to the Board for review and approval and ensure all TPU expenditures are within the authorized biennial budget.
6. Appoint, subject to confirmation by the Board, a Superintendent for each utility system under the Director's control.
7. Conduct a thorough on-boarding process and orientation for new Board Members.

Director Evaluation:

1. The Board shall review the Director's performance annually, and every two years shall vote in a public meeting on whether to reconfirm the appointment, subject to reconfirmation by the City Council.¹
2. The Director's evaluation will be based on comparing the organization's performance and the Director's personal performance to the desired results established by the Board. The Board will use data as appropriate to determine the degree to which Board policies are being met.
3. Through the strategic planning process, the Director shall propose a performance scorecard and key accountabilities for the following year that represent the Director's reasonable interpretation of achieving the strategic directives defined by the Board.
4. All policies that instruct the Director shall be monitored at a frequency and by methods chosen by the Board.
5. The Board will receive regular progress updates on goals set in the performance review.
6. A timeline will be established by the Board and Director for the annual review and for the two-year confirmation review and decision.

¹ City Charter Section 4.18



PUBLIC UTILITY BOARD POLICY

Category: Board-Director Linkage	Title: Delegations to the Director of Utilities
Date of Adoption: January 8, 2020	Policy Number: BL - 2
Revision Date:	
Resolution No.: U-11132	

The Board will instruct the Director of Utilities (Director) through written policies that define the results that the organization is to achieve and which are consistent with the delegation of authority that the Board has previously made to the Director.

Specifically:

1. The Board shall approve the vision and mission of Tacoma Public Utilities (TPU) and establish the strategic directives of TPU, communicating them in the form of policies that are consistent with the delegations the Board has made to the Director with regard to the Director's authority.
2. The Director shall establish policies, make decisions, take actions, establish practices, and develop activities related to the operations or business affairs of TPU in a manner consistent with delegations of the Board.
3. If the Director reasonably determines that an activity related to a delegation presents an operational risk to TPU in any way, the Director shall inform the Board and may request that the Board take appropriate actions.
4. The Board may change its delegations to the Director at any time, subject to the conditions of the employment contract, thereby expanding or limiting the authority of the Director. However, as long as any particular delegation is in place, the Board will abide by the Director's decisions in those areas that are delegated to the Director.
5. The Director shall work with the Clerk of the Board to develop and maintain an up to date list of delegations that have been made by the Board to the Director.
6. The Board will review the Board delegations that have been made to the Director as necessary.

Date	Resolution	PUB Delegated Authority to Director of Utilities
7-21-54	U-143	Authorizing the Director to execute acceptance of easements and quit claim deeds.
3-14-62	U-1663	Authorizing the Director to execute acceptance of the terms and conditions of various limited property rights granted to TPU such as licenses, permits and easements.
12-16-09	U-10349	Authorizing the Director to enter into and approve transactions for the purchase and sale of wholesale electric power and energy-related products and services.
11-17-10	U-10429	Authorizing the Director to approve amendments to the Agreement with the Water Supply Forum.
2-27-13	U-10603	Authorizing the Director to approve the purchase of real property required for Tacoma Public Utility operations up to \$200,000 that do not result in a system expansion or an addition or betterment.
2-27-13	U-10604	Authorizing the Director of Utilities to adopt a policy describing acceptable secondary uses of TPU property and to approve permits for the use of Tacoma Public Utility real property pursuant to the policy.
7-9-14	U-10701	Authorizing the Director of Utilities and the Superintendents the authority to acknowledge and accept municipal advisor disclosures.
5-20-15	U-10777	Providing policy guidance and authorizing the Director to approve fee schedules up to \$25,000 annually, for land use permits for utility-owned real property
10-14-15	U-10806	Authorizing the Director to modify contract demand and contract energy values within a defined range provided to contract industrial customers
12-14-16	U-10898	Authorizing the Director to increase Phase 1 contract with the Puget Sound Energy to interconnect their large load to Tacoma by ten percent before it has to come back to the Board.
3-13-19	U-11068	Authorizing the Director to revise and update Tacoma Power's Energy Risk Management Policy.
9-11-19	U-11101	Authorizing the Director to enter into annual funding agreements with the United States Geological Survey, provided the cost increases are not greater than five percent per year and the annual agreements are substantially the same.