



APPROVED 9/25/24

MINUTES  
City of Tacoma  
Public Utility Board Study Session  
September 11, 2024  
3:00 p.m.

Chair O'Loughlin called the Public Utility Board study session to order at 3:00 p.m. in the third-floor conference room (LT1) of the Public Utilities Administration Building.

**Present:** John O'Loughlin, William Bridges, Elly Claus-McGahan, Anita Gallagher

**Excused:** Carlos Watson

**Customer Services (CS) Budget Review**

LaTasha Wortham, Deputy Director of Customer Experience and External Affairs (CXEA), made opening remarks. Ms. Wortham provided an overview of the CXEA 'north star' which is "Our customers and communities experience compassion and equity in action so they are understood, valued, and empowered". Shana Williams, Customer Services Manager, shared how CS has been realigned to meet this north star. Some points of this roadmap include using industry best practices as a guide; policy audits; resuming inactive collections; technology modernization; and enhanced customer and employee experience. An organizational chart was then shared. The state of CS was summarized and included the return to office, advanced metering, updated performance metrics and KPIs, and customer-focused quality assurance and call recording program. Budget drivers include increased wages and benefits, workforce development, critical mail equipment replacement, inflation, and other operational adjustments. Mitigation and management of expenses includes reallocating staff, reducing staff by 11 FTEs, and adding 2.4 positions. The presentation was concluded by reviewing a graphical illustration of expenses and staffing.

**Affordability and TPU Customer Assistance Programs Update**

Jing Liu, Power Rates and Forecasting Manager; Andrew Zaremba, Principal Data Analyst; and Francine Artis, Customer Solutions Manager, presented the information in this presentation. Utility affordability often measures utility bills relative to income compared against a metric. For Power, the benchmark is set by the Clean Energy Transformation Act. For Water, the benchmark is set by the Environmental Protection Agency. Graphical illustrations of affordability for income constrained customers, qualification for TPU's financial assistance programs, and program improvements/progress, Bill Credit Assistance Program (BCAP) credits, and usage of other assistance programs were reviewed. The state of BCAP was then reviewed, the

TPU-wide goal to reach 10,000 BCAP enrollments by the end of 2024 is still in place. In summary, Tacoma Power and Water's residential rates remain affordable compared to standard metrics. BCAP and Senior/Disabled discount programs provide valuable financial assistance to income-constrained customers. TPU has substantially increased BCAP participation rate and fund disbursement. Customer Solutions has disbursed large amounts of federal and state grants after the pandemic, including the recent grant from the Climate Commitment Act. TPU will continue to focus on assisting income-constrained customers.

### **Tacoma Power: Cost of Service and Rates Update**

Jing Liu, Power Rates and Forecasting Manager, reviewed the current recommended changes in class rates. Residential rate adjustment is decreased from 7.4 percent to 6.5 percent annually. Small general rate adjustment remains the same at 6.1 percent. General rate adjustment increased from 2.3 percent to 3.2 percent. The adjustments for all classes were reviewed; the system average increase is 5.3 percent. Ms. Liu then walked through two policy decisions on residential rates and rates for BCAP customers. Graphical representations of average bill impacts, rate increase mitigation by BCAP credits, residential bill comparison, peer utility rates, small general/general rate design, schedule HVG and CP rate design, lighting schedules, and T&D permit/inspection fees, and EV/electrofuel charging rate were detailed.

### **Overview of Changes to Settlement Authority**

Engel Lee, Chief Deputy City Attorney, summarized legislation that will be brought before the Council by the City Attorney that updates the amounts for claims authority. It is proposed that the City Attorney can sign settlements up to one hundred thousand dollars. It is proposed that settlements of one hundred thousand dollars to two hundred fifty thousand dollars would require both City Attorney and City Manager/Director of Utilities consent. Over two hundred fifty thousand dollars would require the Director/City Manager's recommendation and would go to Council; it is proposed that the Board's approval be removed from the highest tier. This does not mean the Board can't be briefed in executive session. Board Members voiced their preference for having their approval process remain in place; the Board must approve a budget number for the settlement fund.

### **General Board Comments/Discussion and Director's Reports**

Director Flowers provided an update on the gross earnings tax on TPU grants topic. This item will come before GPFC later.

Board Member Claus-McGahan made positive remarks about a recent trip to the Cushman Hydroelectric Project.

Chair O'Loughlin remarked on the Cushman Street fair and shared that it was a good opportunity to communicate the timing of the vacation of the Cushman substation to the public.

### **Executive Session**

Chair O'Loughlin moved to convene an executive session at 5:55 p.m. for up to 60 minutes to receive and evaluate complaints or charges brought against a public officer or employee (RCW 42.30.110(f)) and RCW 42.30.110(1)(a)(ii) to consider, if in compliance with any required data security breach disclosure under RCW 19.255.010 and 42.56.590, and with legal counsel available, information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities, and other information that if made public may increase the risk to the confidentiality, integrity, or availability of agency security or to information technology infrastructure or assets; seconded by Mr. Bridges. Voice vote taken and carried. Chair O'Loughlin announced after the conclusion of the executive session, the Board will not take further action and the study session would be adjourned. Chair O'Loughlin moved that the Clerk of the Board is authorized to adjourn the meeting; seconded by Mr. Bridges. Voice vote taken and carried. Engel Lee, Chief Deputy City Attorney, was present. The executive session was adjourned at 6:23 p.m.

### **Adjournment**

The study session was adjourned at 6:23 p.m.

Approved:



John O'Loughlin  
Chair



Elly Claus-McGahan  
Secretary