



APPROVED 3-23-16

MINUTES
City of Tacoma
Public Utility Board Study Session
February 24, 2016
4:30 p.m.

Mr. Patterson called the Public Utility Board study session to order at 4:30 p.m. at the Public Utilities Administration Building.

Present: Woodrow Jones, Mark Patterson, Karen Larkin

Excused: Bryan Flint, Monique Trudnowski

Financial Outlook for Fourth Quarter of 2015

Tacoma Water: Linda McCrea, Water Superintendent, detailed the forecast assumptions, summary of outlook, water retail sales and revenues, revenue and expense summary, biennium actuals versus budget, and the estimated current cash fund projections. In summary, water sales are projected to be \$7.1M higher than budgeted for the biennium. Total expenditures are projected to be \$2.5M under budget for the biennium. Net total revenues less expenditures is expected to be approximately \$10M over budget and the current fund cash balance is expected to increase \$2.4M over the biennium.

Tacoma Power: Chris Robinson, Power Superintendent, detailed the forecast assumptions, electric retail revenues, wholesale revenues, revenue and expense details, biennium actuals versus budget, and projected liquidity balance. In summary, retail revenues are \$24.9M under budget, wholesale revenues are \$18.5 under budget, wholesale purchases are \$26.4 under budget, total expenses are \$63.3M under budget and total revenues less expenses net \$20.6M.

Tacoma Rail: Dale King, Rail Superintendent, detailed the summary of assumptions, traffic analysis, intermodal and commercial volumes, adjusted estimates and quarter-to-quarter comparisons, and the biennium cash projection. In summary, fuel cost per gallon to remain below the fuel surcharge threshold and there is a monthly oil train volume reduction. There is increased demurrage actuals due to railcar dwell and locomotive servicing revenue is over budget.

Miscellaneous

Director Gaines provided an update on the Community Solar units that went on sale on Tuesday, February 23 at 9:00 a.m. By 4:00 on Wednesday, February 24, 6,900 or 66

percent of the solar units were sold. There were 1,600 rate payers preregistered and 40 percent of those followed through on the purchase. The plan going forward is to work with those who have preregistered and provide an opportunity to purchase units. After that, any remaining units will be opened up more broadly by either increasing the amount of units that can be sold or allowing more registrations.

Tenzin Gyaltzen, Click! General Manager, provided background information for the TiVo contract on the Board's regular meeting agenda. This contract provides Click! with the opportunity to participate in new technology for set top boxes. Although the Click! Business plan is still pending, this would integrate into whatever business plan gets adopted and there is an exit clause plus an opportunity to transfer the contract to a third party. This is a superior product that has richer content and search functionality and integrates over the top content like Hulu and Netflix and allows viewing on mobile devices. The National Television Cable Cooperative, Inc., has negotiated a contract that no longer makes TiVo cost prohibitive.

Adjournment

The study session was adjourned 5:17 at p.m. until the next regularly scheduled study session on Wednesday, March 9, 2016 at 3:00 p.m.

Approved:

Approved:

Bryan Flint, Chair

Monique Trudnowski, Secretary