

# **INTEGRATED RESOURCE PLAN**

**PROJECT UPDATE**

**TACOMA PUBLIC UTILITY BOARD**

**FEBRUARY 14, 2018**



# AGENDA

- **INTEGRATED RESOURCE PLANNING (IRP)**

- OBJECTIVES
  - PUBLIC ADVISORY COMMITTEE
  - SCHEDULE
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- **ELEMENTS OF WORK**

- DEVELOP WATER SUPPLY YIELD MODEL, BOTH SHORT TERM AND LONG TERM
- INCORPORATING CLIMATE CHANGE
- DEVELOP RESOURCE ADEQUACY STANDARD
- GROUNDWATER EVALUATION
- FUTURE SCENARIO DEVELOPMENT
- CONSERVATION PROGRAM ASSESSMENT
- INVESTIGATE REUSE AS A SOURCE

# OBJECTIVES OF THE WORK

**LONG-TERM** – CREATE A ROBUST AND ANALYTICALLY SOUND RESOURCE PLAN TO ENSURE CONTINUED WATER AVAILABILITY FOR OUR COMMUNITY AND THE ENVIRONMENT WELL INTO THE FORESEEABLE FUTURE.

**SHORT-TERM** – ENHANCE CAPABILITIES TO MANAGE WATER RESOURCES & SYSTEM DEMANDS TO MEET CUSTOMERS NEEDS WHILE MINIMIZING OUR EFFECTS ON THE ENVIRONMENT DURING DIFFICULT WATER YEARS.

**COMMUNICATE** – USE THE WRITTEN PLAN TO ARTICULATE THE STATE OF TACOMA WATER'S RESOURCE PORTFOLIO, INCLUDING THE RISKS TO BE UNDERSTOOD AND MANAGED.



# PUBLIC ADVISORY COMMITTEE ENGAGEMENT

## GOALS FOR ENGAGEMENT

- INCREASE AWARENESS OF SUPPLY AND DEMAND DYNAMICS
- INCREASE AWARENESS OF CURRENT AND FUTURE MANAGEMENT STRATEGIES
- SOLICIT INFORMED PERSPECTIVES ON A NUMBER OF TOPICS INCLUDING OUR CONSERVATION PLAN UPDATE
- DEVELOP KEY RELATIONSHIPS FOR ONGOING PUBLIC ENGAGEMENT



# PUBLIC ADVISORY COMMITTEE TOPICS

- MEETING 1 (MARCH 2017) – INFORMATIONAL DISCUSSION TO ENSURE ALL REPRESENTATIVES HAD SIMILAR LEVELS OF INFORMATION REGARDING TACOMA’S SYSTEM, CONSERVATION PROGRAM ALTERNATIVES.
- MEETING 2 (JULY 2017) – FUTURE WATER RESOURCE ALTERNATIVES, INCLUDING CONSERVATION AND NEW SOURCE DEVELOPMENT.
- MEETING 3 (SEPTEMBER 2017) – DEVELOPED FUTURE SCENARIOS THAT WILL DRIVE ANALYSIS, INCORPORATING CLIMATE CHANGE INTO MODEL.
- MEETING 4 (FEBRUARY 2018) –SERIES OF UPDATES ON INCORPORATING CLIMATE CHANGE INTO MODEL, RESOURCE ADEQUACY STANDARD, RECLAIMED WATER REUSE AS A SOURCE.
- MEETING 5 (LATE MAY 2018) - MODEL RESULTS; INCLUDING RUNS THAT INCORPORATE CONSERVATION PROGRAM, DEVELOPED SCENARIOS AND OTHERS.

# IRP SCHEDULE

- **MODEL DEVELOPMENT – SPRING 2017 - CONTINUING**
- **GROUNDWATER EVALUATION – SUMMER /FALL 2017**
- **DEFINITION OF FUTURE SCENARIOS– FALL 2017**
- **INCLUSION OF CLIMATE CHANGE INTO MODEL – EARLY 2018**
- **MODEL RUNS WITH SCENARIOS – EARLY 2018**
- **DRAFT REPORT – MAY 2018**
- **FINAL REPORT– JUNE 2018**



# Tacoma Power

## Undergrounding Existing Overhead Electric Distribution Facilities, Part II

Clay Norris, Power Section Manager

Rachel Allen, T&D Assistant Section Manager

Erik Andersson, TPU Business Development Manager

Public Utility Board Follow-up Discussion – February 14, 2018



# General Relocation Cost Allocation

- ▶ Power has paid on average, 80% of infrastructure relocation inside and outside the City of Tacoma, mostly through Overhead Road A&R funds.
  - There have been some instances within the City of Tacoma of cost sharing depending on the nature of the infrastructure conflict.
  - In Tacoma, Pierce County and University Place there has been just under \$500,000 spent for relocating existing underground lines.
  - Within the City of Fife, there has been a 50/50 cost sharing of \$3M for overhead to underground conversions.
  - 20% of the \$11.8M spent on relocation was inside the City of Tacoma due to more development activity requiring infrastructure adjustments.
- ▶ Water relocation projects have been paid 100% through the Water Replacement Funds to address aging infrastructure.
  - 94% for Main Replacement, 1.5% for Public Works, 5% for Sound Transit
  - 
  - Nearly 50/50 split for spending inside and outside the City of Tacoma



# Public Works Project

- Generally defined as a City or County funded and initiated project that is on a 6-year transportation plan.
- With respect to DOT projects, Tacoma Power and Tacoma Water must comply with DOT permit requirements – typically results in 100% utility funded relocation.

# Franchise Agreement Details

- ▶ If jurisdiction requires the relocation, Tacoma Water and Power generally pay 100% with some exceptions.
- ▶ Water – If customer requested, customer pays relocation costs. *Tacoma Water may contribute if it elects to upsize the main.*

# CLICK!, Telecom Relocation Requirements

- ▶ CLICK! is similar to Power in requirements to relocate and cost sharing allocations
- ▶ Other Telecom companies, attached to our poles, are required to:
  - relocate at their expense if Power relocates overhead.
  - relocate underground as applicable and within the space available at their expense if Power converts to underground.

# Code Relevant to Public Works Projects within the City of Tacoma

- ▶ **TMC 10.24.020 Cost of relocation when street improved** (graded, paved, drained ), utility pays all costs as necessary for relocating, removing, rearranging or readjusting.
- ▶ **TMC 10.24.030 Cost of relocation when grade changed** (change the grade, alignment or width), utility pays the cost of all materials necessary for the relocation, replacement or rearrangement and the fund charged with the street improvement shall pay all other costs.

# Code Relevant to Developer Relocation within the City of Tacoma

- ▶ **10.24.040 Relocation not necessary, for convenience.**  
Any charges for relocation, replacement or rearrangement of any utilities, when the same is done for the convenience of the Department of Public Works or the contractor engaged in making the street improvement, and where such relocation, removal, rearrangement or readjustment is not necessary to such street improvement, shall be borne by the Department of Public Works or the contractor making the street improvement.

# Justification for UG Policy for Commercial Contribution

- ▶ Encourages private sector investment in development and redevelopment
- ▶ Provides consistency inside and outside City of Tacoma
- ▶ Leverages trenching and construction efforts of other utilities
- ▶ Positions Tacoma Power as a strong partner in City's Subarea Planning efforts.
- ▶ Leidos study confirms tangible Utility benefits (6% to 13%)

# Recommended Policy Action

- 1. Utilize existing TMC for Public Works project contributions**
- 2. Contribute 30% for Multi-Family/ Commercial Distribution UG projects**

## **Mitigate financial exposure:**

- Limit geographic area to Brewery District**
- Cap budget for contributions at \$10 million**
- 3-Year pilot program; annual check-ins with PUB**
- Minimum practical size (e.g., 1 block, both sides of street, etc.)**
- Exceptions require PUB action**

# Recommended Policy Contingencies

## City of Tacoma actions:

- **City of Tacoma requires customers to convert their service connection**
- **City of Tacoma requires other utilities (telecom) to convert to underground**





# Next Steps

## PUB

- ▶ Additional feedback (Feb 14)
  - Geographical Area, Contribution level
- ▶ Consider resolution for Feb 28 PUB meeting

## Power Staff

- ▶ Work with City to explore options to address customer conversion costs
- ▶ Develop criteria for TMC 10.24.040
- ▶ Consult Legal regarding implementation