



Public Utility Board Policies Discussion

Study Session
January 11, 2023



In 2019 and 2020, the PUB developed a body of governing policies:
1] Government Processes (GPs); 2] Strategic Directives (SDs); and
3] Board-Director Linkages (BLs).

The GPs are principles of how the Board will govern itself.

The BLs clarify how the Board expects the Director of Utilities to carry out the work of TPU.

The SDs capture priorities and the performance for which the Board will hold TPU accountable on behalf of its rate payers.

BL1 Outlines expectations such as monitoring and measuring the results of the SDs and ensuring that decisions are in alignment with the City Charter, City Code, Board Policies, and applicable law.

BL1 also outlines the expectations such as communicating regularly and effectively with the Board, managing the implementation of systems and policies that enable TPU to conduct its activities both lawfully and ethically, leading implementation of TPU's vision/mission/strategy, managing operations with a primary focus on the leadership of TPU executive management team, and to implement SDs, preparing/submitting the TPU operating division strategic plans, and approval to ensure all expenditures are within the authorized biennial budget.

BL2 clarifies that the Board directs the Director through written policies that define the results that the organization to achieve and that are consistent with the Board's delegations of authority to the Director.

BL2 also clarifies that the Director's actions shall be consistent with the delegations of the Board, that the Director's Office will develop and maintain an up-to-date list of delegations, and the Board will review the delegations that have been made as necessary.

Current BL Delegations to the Director



- Authorizing the Director to execute acceptance of easements and quit claim deeds. (1954)
- 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. (1962)
- Authorizing the Director to enter into and approve transactions for the purchase and sale of wholesale electric power and energy-related products and services. (2009)
- Authorizing the Director to approve amendments to the Agreement with the Water Supply Forum. (2010)
- 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. (2013)
- 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. (2013)

Current BL Delegations to the Director – Cont'd



- Authorizing the Director of Utilities and the Superintendents the authority to acknowledge and accept municipal advisor disclosures. (2014)
- Providing policy guidance and authorizing the Director to approve fee schedules for land use permits for utility-owned real property (2015)
- Authorizing the Director to modify contract demand and contract energy values provided to contract industrial customers (2015)
- Authorizing the Director to increase the Puget Sound Energy build to interconnect their large load to Tacoma by ten percent before it has to come back to the Board. (2016)
- Authorizing the Director to revise and update Tacoma Power's Energy Risk Management Policy (2019)

- GPs are the rules and principles for how the Board will govern itself. Currently, there are 11 policies that cover:
 - GP1: Board Purpose, Authority, Duties, and Expectations
 - GP2: Meetings
 - GP3: Election of Officers
 - GP4: Duties of Officers
 - GP5: Designation and Duties of the Clerk of the Board
 - GP6: Conduct of Members During Meetings
 - GP7: Conduct of Public
 - GP8: Order of Business
 - GP9: Motions and Precedence
 - GP10: Resolutions and Motions
 - GP11: Miscellaneous

- The SDs capture the results the Board wants the organization to achieve. They guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize service for TPU customers. SDs also capture the performance expectations of the Board.
 - SD1 Equity and Inclusion
 - SD2 Financial Sustainability
 - SD3 Rates
 - SD4 Stakeholder Engagement
 - SD5 Environmental Leadership
 - SD6 Innovation
 - SD7 Reliability and Resiliency
 - SD8 Telecom
 - SD9 Economic Development
 - SD10 Government Relations
 - SD11 Decarbonization
 - SD12 Employee Relations
 - SD13 Customer Service
 - SD 14 Resource Planning

- Purpose Statement:
 - TPU is committed to achieving equity and inclusion in its workforce, serve territory, policy decision making, and community/stakeholder engagement.

Assigned Lead Board Member:

- Purpose Statement
 - TPU will secure its commitment to provide safe and reliable power, water, and rail services over the long term by maintaining sustainable budget, financial, and asset management practices.

Assigned Lead Board Member:

- Purpose Statement
 - TPU rates for power, water, and retail services play an important role in securing a strong economy, establishing equity among customers, and producing revenue sufficient to provide safe, reliable, and environmentally-sensitive utilities services. TPU strives to ensure rates will be adequate, fair, just, and reasonable.

Assigned Lead Board Member:

- Purpose Statement
 - TPU is committed to proactive engagement and open dialogue with customers and other stakeholders to understand their needs and improve service that informs decision-making while enhancing community understanding of TPU's operations, programs, and services.

Assigned Lead Board Member:

- Purpose Statement
 - TPU is committed to being stewards of the region's bountiful natural resources, and a leader in the preservation, protection, and restoration of those resources while maintaining our excellent delivery of services. It is clear that in order to ensure we fulfill our operational duties into the future we must balance our resource usage with the health of our environment.

Assigned Lead Board Member:

- Purpose Statement

- TPU faces complex challenges including aging infrastructure, shifting workforce dynamics, uncertain sources of supply, changing regulatory requirements, dynamically changing markets and rising customer expectations. TPU is committed to fostering a culture of innovation to meet these challenges today and into the future. Innovation refers to fresh thinking that creates value for customers, including:
 - Improved processes, policies and ways of doing business
 - New or enhanced products and services
 - New technologies and infrastructure
- An innovative culture will enable an environment of creativity, experimentation and incubation to achieve new approaches to serve our customers, manage assets, finance investments and realize superior utility performance with the added benefit of enhancing sustainability.

Assigned Lead Board Member:

- Purpose Statement
 - Tacoma Public Utilities will reliably deliver to its customers the power, water and rail services they need and will rebound quickly from all interruptions in such service delivery.

Assigned Lead Board Member:

• Purpose Statement

- Tacoma Public Utilities (TPU) owns a hybrid fiber coaxial (HFC) network, portions of which it uses for its own operational needs and leases out the excess capacity to generate incremental economic value for the electric utility. The Telecom Strategic Directive directs the full utilization of the capability and capacity of the HFC network to ensure maximize return on investment, continued public ownership of the HFC network, and value creation for the public and communities served.
- TPU is changing the scope of the past Click! public – private partnership, so the private partner can provide the retail video services in a quickly evolving technology and business environment. The industry standard for this model consists of the network owner, Tacoma Power, granting an Indefeasible Right to Use the network’s capacity that is not required for power system needs. Tacoma Power will retain network maintenance responsibilities locating, splicing, repair and relocation on the portion of the network that includes power system functions.

Assigned Lead Board Member:

- Purpose Statement
 - The Utilities are an asset that can aid in improved quality of life for all TPU customers and stakeholders. TPU supplies critical resources to the communities it serves, and provides the foundation for building a strong and resilient economy, which will ultimately result in more revenue for TPU.

Assigned Lead Board Member:

- Purpose Statement
 - Tacoma Public Utilities (TPU) is committed to building and strengthening respectful and mutually-productive relationships with tribal, federal, state, and other local units of government in order for public policy to benefit TPU customers and to foster the outcomes set out in TPU’s Strategic Directives.

Assigned Lead Board Member:

- Purpose Statement
 - Tacoma Public Utilities seeks to be a leader in decarbonization of the electric utility system and transportation electrification and to promote Tacoma Power's renewable and nearly carbon free generation portfolio as a driver of economic development and a competitive advantage for existing customers.

Assigned Lead Board Member:

- Purpose Statement

- Tacoma Public Utilities Leadership along with the Public Utilities Board consider employees our most valuable assets. TPU employees are the face of the utility to our customers and their dedication keeps the utility running on a day to day basis.
- TPU is committed to creating and maintaining a positive, supportive environment where employees are inspired to do their best work. This commitment ensures that all employees benefit from a safe, productive work environment, fair and equitable compensation, recognition of efforts, and the sense that they are valued.

Assigned Lead Board Member:

- Purpose Statement

- As a municipal utility, TPU is committed to providing the highest levels of customer services. The Public Utility Board has established this directive to ensure positive customer experiences in their interactions with TPU staff, Board Members, consultants, and sub-contractors.

Assigned Lead Board Member:

- Purpose Statement
 - Tacoma Public Utilities' highest priority is providing safe and reliable power, water, and rail services that meet or exceed customer needs over the long term (20 to 60 years).

Assigned Lead Board Member:



Thank you

