



APPROVED 7/12/23

MINUTES
City of Tacoma
Public Utility Board Study Session
June 14, 2023
3:00 p.m.

Chair Watson 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: William Bridges, Elly Claus-McGahan, Carlos Watson, John O’Loughlin

Excused: Holland Cohen

Transfer of Rainier Connect North Indefeasible Right of Use Agreement

Joe Wilson, T&D Manager made introductory remarks and introduced Joanne Hovis of CTC Technology. Ms. Hovis summarized that Alphaboost/Palisade represents a stable, resourced new lessee for the Click! assets with potential for investment in marketing, growth, and infrastructure upgrades to enable further community benefit from Click! The transfer is consistent with the Click! policy goals as adopted by the Board and City Council. The Indefeasible Right of Use Agreement (IRU) commitments provide robust protection for these goals and as a result, the transfer could improve the network’s financial stability and safeguard the City’s and TPU’s long-term use of the network. Ms. Hovis summarized changes in the broadband market structure since the IRU was signed and outlined system upgrades required to remain competitive. Ms. Hovis concluded by outlining Palisade’s financial and managerial qualifications.

Tacoma Water: Overview of Water 2023 Refunding Bonds

Jodi Collins, Asst. Water Div. Mgr, provided an overview of Water’s 2023 financing plan. Two refunding bond issues are planned for the third quarter of 2023. One outstanding bond is planned to be redeemed with cash. The financing strategy balances a combination of cash reserves, debt, and other sources to pay for capital costs in support of gradual rate adjustments and rates that are so low as is responsible over the planning horizon. As part of ongoing debt management, Water works with its municipal advisors and several underwriters to help monitor interest rates and identify financing opportunities. Now that the 2013 bond issues have reached their call date, refinancing them for savings is planned. Lyna Vo, Sr. Utilities Economist, spoke to refunding opportunities. The 2023 refunding bonds will be used to refinance the Water 2013 revenue and refunding bonds. Ms. Vo then provided an overview of all outstanding debt

for the Regional Water Supply System (RWSS). The 2023 refunding bonds will be used to refinance the RWSS 2013 refunding bonds. Ms. Vo concluded by reviewing the draft transaction schedule. Board and Council consideration will be scheduled for July. Council's final consideration is scheduled for August and closing for September 7.

Strategic Directive Four (SD4, Stakeholder Engagement) Update

John Gaines, Sr. Government Affairs Advisor, provided an overview of ongoing engagements. These include neighborhood councils and block groups, existing events of organizations, Chamber of Commerce, Economic Development/local trade organizations, franchise cities, local government partners, key accounts including JBLM, business districts, barbershops, and Pierce County task force. Special projects, topics, and events, include the Cushman-Adams Substations project, Bill Credit Assistance Plan, Digital Equity program, Ocean Fest, Lakewood Farmers Market, McKinley Neighborhood Plan, Sound to Narrows. Tracking mechanisms for engagement activities were summarized. Looking forward, the SD4 team will relaunch the Equity Index in 2023. This index has been updated with 2020 Census data and expanded Pierce County-wide. The team will continue to build new relationships both inside the city and with franchise cities.

General Board Comments/Discussion and Director's Reports

Director Flowers provided a high-level summary of federal funding for accounts in arrears. Director Flowers summarized the Board's Strategic Directive update schedule.

Adjournment

The study session was adjourned at 5:21 p.m.

Approved:



Carlos Watson, Chair



William Bridges