



RESOLUTION NO. U-11099

1 A RESOLUTION adopting Public Utility Board Strategic Directives on Equity
2 and Inclusion, Financial Sustainability, Rates, and Stakeholder
3 Engagement.

4 WHEREAS in response to changes in the utility industry, and to ensure
5 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
6 Board's goals of delivering affordable, reliable, and environmentally sensitive
7 services, the Board is developing policies concerning Government Processes,
8 Board-Director Linkage, and Strategic Directives, and
9

10 WHEREAS the first four strategic directives cover the topics of: 1) Equity
11 and Inclusion; 2) Financial Sustainability; 3) Rates; and 4) Engagement, and
12

13 WHEREAS the strategic directive policies will guide TPU's efforts to
14 effectively and efficiently address current and future challenges, mitigate risks,
15 pursue strategic opportunities, and optimize services for their customers, and
16

17 WHEREAS the Equity and Inclusion policy establishes TPU's
18 commitment to achieving equity and inclusion in its workforce, service delivery,
19 policy decision making, and community/stakeholder engagement, and
20

21 WHEREAS the Financial Sustainability policy provides that TPU will
22 secure its commitment to provide safe and reliable power, water, and rail
23 services over the long term by maintaining sustainable budget, financial and
24 asset practices, and
25

26 WHEREAS the Rates policy provides that TPU rates for power, water,
and rail 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. The Rate policy also provides that TPU strives to ensure that rates will be adequate, fair, just and reasonable, and

WHEREAS the Stakeholder Engagement policy provides that 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, and

WHEREAS these policies were developed at regularly scheduled Board study sessions and all future Board reviews and amendments will be handled similarly, and

WHEREAS the Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policies when necessary as TPU navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting the four Strategic Directives is in the best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the four Public Utility Board Strategic Directives that include: 1) Equity and Inclusion; 2) Financial Sustainability; 3) Rates; and

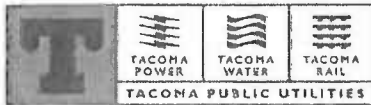


4) Engagement Policies, in the form as on file with the Clerk, are adopted and approved.

Approved as to form:

R. C. Howell
Chief Deputy City Attorney
Charlene J. J. J.
Clerk

Steve Hinkle
Chair
Mark Patton
Secretary
Adopted 8-28-19



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: August 28, 2019
DATE: August 16, 2019

SUMMARY: A resolution adopting the first four Public Utility Board Strategic Directives (SD) on Equity and Inclusion, Financial Sustainability, Rates, and Stakeholder Engagement.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts the first four Strategic Directives listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board. The Board purposefully chose to begin its policy development effort by focusing on policies on Equity and Inclusion, Financial Sustainability, Rates, and Stakeholder Engagement as they are critical to the success of TPU and lay the foundation for fair treatment of employees, reasonable rates, financial stability, and connecting with an informed stakeholder base.

The Equity and Inclusion policy establishes TPU's commitment to achieving equity and inclusion in its workforce, service delivery, policy decision making, and community/stakeholder engagement.

The Financial Sustainability policy provides that 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.

The Rates policy provides that TPU rates for power, water; and rail 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. The Rates policy also provides that TPU strives to ensure that rates will be adequate, fair, just and reasonable.

The Stakeholder Engagement policy provides that 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.

These policies were developed at regularly scheduled Board study sessions and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS: Strategic Directive 1 – Equity and Inclusion; Strategic Directive 2 – Financial Sustainability; Strategic Directive 3 – Rates; Strategic Directive 4 – Stakeholder Engagement

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

Category: **Strategic Directive**

Date of Adoption: **August 28, 2019**

Resolution No.:

Revision Date:

Title: **Equity and Inclusion**

Policy Number: **SD-1**

Purpose

Tacoma Public Utilities (TPU) is committed to achieving equity and inclusion in its workforce, service delivery, policy decision making, and community/stakeholder engagement.

Values

1. TPU serves all rate payers and residents without regard to race, color, sex, religion, creed, age, marital status, national origin, citizenship status, sexual orientation, gender identity, veterans status, or the presence of any physical, sensory or mental disability.
2. TPU values diversity and what each individual brings to TPU and the community.
3. TPU believes equity is achieved when everyone has access to the resources and opportunities necessary to satisfy their essential needs, advance their well-being, and achieve their full potential.
4. TPU will work to be inclusive, building a culture of involvement, respect, and connection where the richness of ideas, backgrounds, and perspectives are harnessed to create value.
5. The TPU Board supports the Tacoma City Council Resolution 39019 Equity and Empowerment Initiative Framework and is committed to its five primary goals:
 - The City of Tacoma workforce reflects the community it serves;
 - Purposeful community outreach and engagement;
 - Equitable service delivery to all residents and visitors;
 - Support human rights and opportunities for everyone to achieve their full potential;

- Commitment to equity in local government decision-making.

Outcomes

1. TPU, in collaboration with city departments and community partners, will pursue equity and inclusion in the workforce, service delivery, policy decision making, rate design and budgeting proposals, and stakeholder/community engagement.
2. Gaps or barriers to both internal and external equity and inclusion are eliminated as they relate to employment and services provided.
3. Policies, programs, and services are developed to create equity and remove barriers.
4. The impact of structural inequities and implicit bias on the recruitment, hiring, and retention of staff are identified and mitigated. The candidate pool and employees of TPU are diverse and reflect the communities we serve.
5. Public information is available in a variety of languages and through diverse communication channels necessary to inclusively reach the intended audiences.

Measurement

1. TPU will track the ethnic, racial and gender makeup of potential and actual employees for recruitment, workforce, and retention relative to the population in its service territory.
2. TPU will track the number of projects, actions, and initiatives including an equity lens in its analysis, planning, and implementation.
3. TPU will track the diversity of outreach efforts including diversity of participation or audiences reached.

Reporting

Frequency: Annually for #1 and #3 and a pilot for #2



PUBLIC UTILITY BOARD POLICY

| | |
|--|--|
| Category: Strategic Directive | Title: Financial Sustainability |
| Date of Adoption: August 28, 2019 | Policy Number: SD-2 |
| Resolution No.: | |
| Revision Date: | |

Purpose

Tacoma Public Utilities 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.

Values

1. TPU believes long-term financial planning that accounts for internal and external risks results in sustainable utilities budgets and reasonably stable utilities rates.
2. TPU values responsible stewardship and recognizes that utilities bills are paid by customers and resulting revenue is therefore limited. Each biennial budget must therefore be carefully and reasonably limited.
3. TPU believes financial, business, and capital planning should be based on regularly updated forecasts.
4. TPU believes it is prudent to pay for long-lived capital assets by spreading the costs over the life of those assets.
5. TPU believes prudent and stable financial and business planning anticipates unexpected future events by requiring adequate cash reserves and insurance.
6. TPU values good stewardship of utilities rates paid by customers by leveraging external funding sources where prudent.

Outcomes

1. Rate and Financial Policies that summarize planning methods that will produce long-term financial stability for reliable power, water, and rail services.

2. Detailed Operating, Capital, and Strategic Plans that guide planning for sustainable financial, business, and capital budgets over the long term.
3. TPU planning methods that incorporate conservatism into budgets and rate designs as necessary to ensure long-term financial stability.
4. AA-level bond rating, or better, to facilitate access to lower-cost financing and produce sustainable debt service expenses.
5. Utilities rates at the lowest levels reasonably sufficient to meet the duty to provide reliable, safe, and equitable utilities services to customers over the long term.
6. Strategic asset management that guides capital project development to predict when improvements are necessary.
7. Financial management of debt service over the long term to maintain reasonable debt-service requirements and meet debt service coverage ratios.

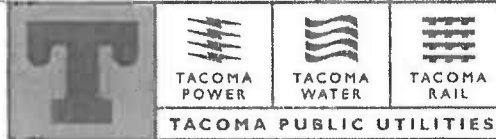
Measurements

1. Budget Performance and Forecasts
2. Debt Service Coverage Ratio
3. Days Cash on Hand

Reporting

Frequency: Quarterly

Method: Biennial budget and rates process



PUBLIC UTILITY BOARD POLICY

| | |
|--|--|
| <p>Category: Strategic Directive</p> <p>Date of Adoption: August 28, 2019</p> <p>Resolution No.:</p> <p>Revision Date:</p> | <p>Title: Rates</p> <p>Policy Number: SD-3</p> |
|--|--|

Purpose

Tacoma Public Utilities rates for power, water, and rail 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.

Values

1. TPU values utilities rates that produce sustainable and sufficient revenue to ensure reliable utility operations while meeting all debt-service requirements.
2. TPU values fair and just utilities rates that equitably assign costs of providing services to each customer class.
3. TPU values proactive community engagement as part of proposed rate adjustments.
4. TPU values planning gradual and consistent utility rate changes that are stable and predictable over the long term and avoid sudden or large changes within customer classes.

Outcomes

1. Utilities rates at the lowest levels reasonably sufficient to sustain safe and reliable utility operations, the goals in TPU strategic plans, and debt service over the near and long term.
2. Rate Policy Statements that detail and expand on the Strategic Directives for Tacoma Power, Water, and Rail.

3. Proactive customer/community outreach accompanies rate adjustments.

Measurements

1. Rate Impact Benchmarks
2. Coordinated customer/community outreach plans/schedules

Reporting

Frequency: Quarterly or as otherwise appropriate

Method: Biennial budget and rates process



PUBLIC UTILITY BOARD POLICY

| | |
|--|--------------------------------------|
| Category: Strategic Directive | Title: Stakeholder Engagement |
| Date of Adoption: August 28, 2019 | Policy Number: SD-4 |
| Resolution No.: | |
| Revision Date: | |

I. Purpose

Tacoma Public Utilities (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.

II. Values

1. As a publicly-owned, municipal utility, TPU values the relationship with our owners (citizens of Tacoma), customers, and stakeholders.
2. TPU believes in open and transparent governance.
3. TPU values robust, ubiquitous, and equitable customer and stakeholder engagement throughout our service territories.
4. TPU believes in continually evolving our customer and stakeholder engagement efforts to equitably engage customers and stakeholders in their preferred manner.
5. TPU believes that the City of Tacoma's General Government and other local governments within our territory are essential partners to effectively engage the communities we serve.
6. TPU values working with community partners to better engage the diverse communities we serve.

III. Outcomes

1. TPU Board business is conducted in a manner accessible and convenient for our customers and stakeholders.

2. TPU coordinates closely with the City of Tacoma's General Government and local government partners on relevant outreach activities.
3. TPU uses modern and innovative research techniques to understand the needs and opinions of our customers and stakeholders.
4. TPU equitably engages customers and stakeholders to inform them and seek their input regarding pertinent operations, policies, programs and services that could affect them.
5. TPU staff is present and visible in the community and listens to community needs, shares information about TPU, and provides customer and stakeholder feedback to the Public Utility Board, executives, and staff.
6. TPU staff respond to customer and stakeholder inquiries or requests in a timely fashion with relevant, accurate information.
7. Public information is available in a variety of languages and through diverse communication channels as needed to inclusively reach intended audiences.

IV. Measurement

1. TPU staff will track community engagement activities, including organization(s) involved and messages received and delivered.
2. TPU staff will engage customers and stakeholders and provide the Public Utility Board, TPU executives, and staff with valid quantitative analysis of customer and stakeholder perceptions of TPU and their understanding of operations and programs.
3. TPU staff will regularly engage with local policymakers to understand their evaluation of outreach activities and receive feedback.

V. Reporting

Frequency:

1. On an as needed basis, based on operational activities and community feedback to TPU executives and staff;
2. On an as needed basis, based on operational activities and community feedback to the Public Utility Board;
3. Not less than biannually to the Executive Leadership Team;
4. Not less than biannually to the Public Utility Board.



RESOLUTION NO. U-11131

1 A RESOLUTION adopting Public Utility Board Strategic Directives five and six
2 on Environmental Leadership and Innovation.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS this resolution adopts Strategic Directives five and six, that
10 guide TPU's efforts to effectively and efficiently address current and future
11 challenges, mitigate risks, pursue strategic opportunities, optimize services for
12 TPU customers, and capture the performance expectations of the Board, and
13

14 WHEREAS the Environmental Leadership policy establishes TPU's
15 commitment to being a steward of the region's bountiful natural resources, and
16 a leader in the preservation, protection, and restoration of those resources while
17 maintaining excellent delivery of services. To ensure that we fulfill our
18 operational duties in the future, we must balance our resource usage with the
19 health of our environment, and
20

21 WHEREAS the Innovation policy provides that TPU is committed to
22 fostering a culture of innovation to meet challenges such as aging
23 infrastructure, shifting workforce dynamics, uncertain sources of supply,
24 changing regulatory requirements, dynamically changing markets, and rising
25 customer expectations today and into the future, and
26



1 WHEREAS innovation refers to the fresh thinking that creates value for
2 customers, including: 1) Improved processes, policies, and ways of doing
3 business; 2) New or enhanced products and services; and 3) New technologies
4 and infrastructure, and
5

6 WHEREAS an innovation culture will enable an environment of creativity,
7 experimentation, and incubation to achieve new approaches to serve our
8 customers, manage assets, finance investments and realize superior utility
9 performance with the added benefit of enhancing sustainability, and
10

11 WHEREAS these policies were developed at regularly-scheduled Board
12 study sessions and/or properly-noticed public meetings and all future Board
13 reviews and amendments will be handled similarly, and
14

15 WHEREAS the Board has committed to monitor and ensure compliance
16 with Board policies. This oversight provides an opportunity for the Board and
17 staff to clarify, revise and develop new policies when necessary as TPU
18 navigates changes in the utility industry, and
19

20 WHEREAS the Board and Director have determined that adopting the
21 Public Utility Board Strategic Directives five and six on Environmental
22 Leadership and Innovation is in the best interests of Tacoma Public Utilities and
23 the ratepayers; Now, Therefore,
24
25
26



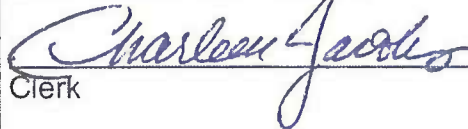
BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Public Utility Board Strategic Directives five and six on
Environmental Leadership and Innovation, in the form as on file with the Clerk,
are adopted and approved.

Approved as to form:



Chief Deputy City Attorney



Clerk



Chair


Secretary

Adopted 1-8-2020



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: January 8, 2020
DATE: December 24, 2019

SUMMARY: A resolution adopting Public Utility Board Strategic Directives (SD) five and six on Environmental Leadership and Innovation.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts Strategic Directives five and six listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board.

The Environmental Leadership policy establishes TPU's commitment 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.

The Innovation policy provides that TPU is committed to fostering a culture of innovation to meet challenges such as aging infrastructure, shifting workforce dynamics, uncertain sources of supply, changing regulatory requirements, and dynamically changing markets and rising customer expectations today and into the future. Innovation refers to the fresh thinking that creates value for customers, including: 1) Improved processes, policies, and ways of doing business; 2) New or enhanced products and services; 3) New technologies and infrastructure. An innovation 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.

These policies were developed at regularly scheduled Board study sessions and all future reviews and amendments to the Public Utility Board policies will be handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.




Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS: Strategic Directive 4 – Environmental Leadership; Strategic Directive 5 - Innovation

CONTACT: Jackie Flowers, Director of Utilities

| | |
|---|--|
| <div>  </div> | |
| PUBLIC UTILITY BOARD POLICY | |
| Category: Strategic Directive | Title: Environmental Leadership |
| Date of Adoption: January 8, 2020 | Policy Number: SD-5 |
| Revision Date: | Resolution No. |

Purpose

Tacoma Public Utilities 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.

Values

1. TPU Board joins the Tacoma City Council in supporting Council Resolution 39427, the Environmental Action Plan, and prioritizing strategies and actions for improving environmental quality. Specifically, TPU:
 - a. Will achieve exceptional quality of life for every generation and will leave a legacy of stewardship; and
 - b. Will achieve lasting and equitable prosperity; build a safe, healthy, attractive, and vibrant community; and minimize negative impacts in order to conserve the natural resources that sustain it.
2. TPU believes climate change impacts how we provide services now and will, if unabated, continue to bring instability and negative impacts to our community's quality of life in the future. Efforts should go beyond mitigation and focus on policies to reduce atmospheric carbon.
3. TPU believes quality of life and long-term economic prosperity are contingent on a healthy environment.
4. TPU will provide environmental leadership as a primary stakeholder in policies dealing with water, energy, transportation or land use with a goal of restoring and preserving ecosystem health for future generations.
5. TPU encourages employee innovation to accomplish their work in ways that reduce and mitigate environmental impacts.

6. TPU believes that Tribal governments are partners in the restoration and stewardship of our natural resources.

Outcomes

1. Business affairs and operations are conducted in a manner that promotes principles of stewardship and achieves a restorative environmental effect. This includes incorporating reduction of waste, greenhouse gas emissions and pollution as core elements of continuous improvement.
2. Ecological protection on our land is prioritized as a guarantee of future power and water services, and our commitment to the restoration of fish, wildlife and their habitats.
3. A sense of stewardship is instilled in our workforce and community through communication strategies and actions. —
4. Programs that complement and encourage National, State, and Regional environmental policies and initiatives are proactively developed and implemented.

Measurement

1. Track progress on related Tacoma Environmental Action Plan and participate in City's Greenhouse Gas Inventory.
2. Adherence to Watershed Management Plan
3. Adherence on Electric Transportation Plan
4. Adherence to environmental measures within our FERC licenses.
5. Environmental leadership will be reflected in legislative priorities.
6. Track community outreach and communication activities related to environmental leadership.
7. Customer survey results regarding environmental leadership.

Reporting

Frequency: Annually

Reporting Method: An annual TPU environmental report that encompasses each measurement will be presented to the Public Utility Board.



PUBLIC UTILITY BOARD POLICY

| | |
|--|----------------------------|
| Category: Strategic Directive | Title: INNOVATION |
| Date of Adoption: January 8, 2020 | Policy Number: SD-6 |
| Resolution No.: | |
| Revision Date: | |

I. Purpose

Tacoma Public Utilities 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.

II. Values

1. TPU will strive to become a driver for utility innovation and not just a consumer of innovative products. We support our employees' freedom to pursue innovative processes, procedures, products, programs, and operational technologies that provide value propositions for our customers and communities in order for TPU to remain competitive long term.
2. The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that new ideas are pursued with strict discipline through analysis, sound technical data and good management oversight.

3. The Public Utility Board encourages highly collaborative projects and initiatives including those with external agencies, experts, academic institutions, and corporations to support the development of innovative solutions.
4. TPU believes stakeholder engagement is essential to the development of sustainable products and services. TPU will incorporate customer feedback when appropriate into the design and development of new ideas or projects through research and outreach to ensure solutions address needs.

III. Outcomes

1. Employees are empowered to surface new ideas or propose new solutions that positively impact how we operate and deliver services.
2. Development of innovative solutions is supported with financial resource investment including providing space within the daily activities of staff and the engagement of subject matter experts.
3. Innovation is supported through formal organizational structures. These may or may not be permanent teams, and shall be made up of employees from relevant work areas that work collaboratively on strategic initiatives with leadership oversight.
4. Innovative ideas and progress are regularly recognized and rewarded.
5. Innovative efforts include engaging stakeholders at the appropriate time in the development process, enabling broad participation while leveraging internal professional resources to help guide development and implementation of new ideas.
6. A safe environment exists for testing progressively mature, innovative concepts that have potential to enhance our customers' lives and how we perform our work. New ideas are regularly tested and evaluated in a scaled and relevant manner. We support further development of concepts that work well, and have the courage to modify or eliminate ones that are not meeting their intended outcome.

IV. Measurement

1. Assess TPU Innovation Culture and identify barriers to innovation.
2. Report to the Utility Board on organizational work groups who are focused on innovation, research and development, modernization projects, etc.
3. Ability to meet current and future challenges with innovative solutions and internal resources.
4. Individual work groups track and report progress.

5. Agree on simple metrics that can be tracked and reported. These metrics should map directly to an established value profile.

V. Reporting

Frequency: Annually

Reporting Method: To Be Developed.



PUBLIC UTILITY BOARD POLICY

| | |
|--|--|
| Category: Strategic Directive | Title: Environmental Leadership |
| Date of Adoption: January 8, 2020 | Policy Number: SD-5 |
| Revision Date: | Resolution No. U-11131 |

Purpose

Tacoma Public Utilities 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.

Values

1. TPU Board joins the Tacoma City Council in supporting Council Resolution 39427, the Environmental Action Plan, and prioritizing strategies and actions for improving environmental quality. Specifically, TPU:
 - a. Will achieve exceptional quality of life for every generation and will leave a legacy of stewardship; and
 - b. Will achieve lasting and equitable prosperity; build a safe, healthy, attractive, and vibrant community; and minimize negative impacts in order to conserve the natural resources that sustain it.
2. TPU believes climate change impacts how we provide services now and will, if unabated, continue to bring instability and negative impacts to our community's quality of life in the future. Efforts should go beyond mitigation and focus on policies to reduce atmospheric carbon.
3. TPU believes quality of life and long-term economic prosperity are contingent on a healthy environment.
4. TPU will provide environmental leadership as a primary stakeholder in policies dealing with water, energy, transportation or land use with a goal of restoring and preserving ecosystem health for future generations.
5. TPU encourages employee innovation to accomplish their work in ways that reduce and mitigate environmental impacts.
6. TPU believes that Tribal governments are partners in the restoration and stewardship of our natural resources.

6. TPU believes that Tribal governments are partners in the restoration and stewardship of our natural resources.

Outcomes

1. Business affairs and operations are conducted in a manner that promotes principles of stewardship and achieves a restorative environmental effect. This includes incorporating reduction of waste, greenhouse gas emissions and pollution as core elements of continuous improvement.
2. Ecological protection on our land is prioritized as a guarantee of future power and water services, and our commitment to the restoration of fish, wildlife and their habitats.
3. A sense of stewardship is instilled in our workforce and community through communication strategies and actions. —
4. Programs that complement and encourage National, State, and Regional environmental policies and initiatives are proactively developed and implemented.

Measurement

1. Track progress on related Tacoma Environmental Action Plan and participate in City's Greenhouse Gas Inventory.
2. Adherence to Watershed Management Plan
3. Adherence on Electric Transportation Plan
4. Adherence to environmental measures within our FERC licenses.
5. Environmental leadership will be reflected in legislative priorities.
6. Track community outreach and communication activities related to environmental leadership.
7. Customer survey results regarding environmental leadership.

Reporting

Frequency: Annually

Reporting Method: An annual TPU environmental report that encompasses each measurement will be presented to the Public Utility Board.



PUBLIC UTILITY BOARD POLICY

| | |
|--|--------------------------------|
| Category: Strategic Directive | Title: INNOVATION |
| Date of Adoption: January 8, 2020 | Policy Number: SD-6 |
| Revision Date: | Resolution No.: U-11131 |

I. Purpose

Tacoma Public Utilities 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.

II. Values

1. TPU will strive to become a driver for utility innovation and not just a consumer of innovative products. We support our employees' freedom to pursue innovative processes, procedures, products, programs, and operational technologies that provide value propositions for our customers and communities in order for TPU to remain competitive long term.
2. The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that new ideas are pursued with strict discipline through analysis, sound technical data and good management oversight.
3. The Public Utility Board encourages highly collaborative projects and initiatives including those with external agencies, experts, academic institutions, and corporations to support the development of innovative solutions.

4. TPU believes stakeholder engagement is essential to the development of sustainable products and services. TPU will incorporate customer feedback when appropriate into the design and development of new ideas or projects through research and outreach to ensure solutions address needs.

III. Outcomes

1. Employees are empowered to surface new ideas or propose new solutions that positively impact how we operate and deliver services.
2. Development of innovative solutions is supported with financial resource investment including providing space within the daily activities of staff and the engagement of subject matter experts.
3. Innovation is supported through formal organizational structures. These may or may not be permanent teams, and shall be made up of employees from relevant work areas that work collaboratively on strategic initiatives with leadership oversight.
4. Innovative ideas and progress are regularly recognized and rewarded.
5. Innovative efforts include engaging stakeholders at the appropriate time in the development process, enabling broad participation while leveraging internal professional resources to help guide development and implementation of new ideas.
6. A safe environment exists for testing progressively mature, innovative concepts that have potential to enhance our customers' lives and how we perform our work. New ideas are regularly tested and evaluated in a scaled and relevant manner. We support further development of concepts that work well, and have the courage to modify or eliminate ones that are not meeting their intended outcome.

IV. Measurement

1. Assess TPU Innovation Culture and identify barriers to innovation.
2. Report to the Utility Board on organizational work groups who are focused on innovation, research and development, modernization projects, etc.
3. Ability to meet current and future challenges with innovative solutions and internal resources.
4. Individual work groups track and report progress.
5. Agree on simple metrics that can be tracked and reported. These metrics should map directly to an established value profile.

V. Reporting

Frequency: Annually

Reporting Method: To Be Developed.



RESOLUTION NO. U-11168

1 A RESOLUTION adopting Public Utility Board Strategic Directives (SD) Seven
2 on Reliability and Resiliency.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS this resolution adopts Strategic Directive Seven, that guides
10 TPU's efforts to effectively and efficiently address current and future challenges,
11 mitigate risks, pursue strategic opportunities, optimize services for TPU
12 customers, and capture the performance expectations of the Board, and
13

14 WHEREAS the Reliability and Resiliency policy establishes TPU's
15 commitment to deliver to its customers the power, water and rail services they
16 need, and to rebound quickly from all interruptions in such service delivery, as
17 reliable delivery of adequate power, water and rail service to customers is
18 necessary to support the lives, health, and businesses of TPU customers, and
19 is one of TPU's highest priorities, and
20

21 WHEREAS TPU believes long-term strategic planning, including
22 resource planning, will ensure infrastructure, facilities and personnel sufficient
23 to meet TPU's reliability and resilience goals within budget and rate limitations,
24 and
25
26



WHEREAS utility-wide planning for continuation of operations and restoration of utility services in response to naturally occurring or man-made threats and hazards is necessary to ensure restoration of essential utility functions after such events as quickly as possible, and the restoration of full utility services in a reasonable period of time, and

WHEREAS TPU should strive to be a regional leader in planning and response to naturally occurring or man-made threats and hazards to the communities in which it operates, and

WHEREAS these policies were developed at regularly-scheduled Board study sessions and/or properly-noticed public meetings and all future Board reviews and amendments will be handled similarly, and

WHEREAS the Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policies when necessary as TPU navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting the Public Utility Board Strategic Directive Seven on Reliability and Resiliency is in the best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Public Utility Board Strategic Directive Seven on Environmental Reliability and Resiliency, in the form as on file with the Clerk, is adopted and approved.



1 Approved as to form:

Chair

Paul R. Patterson

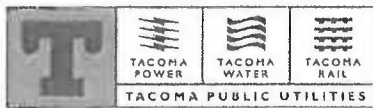
2
3
4 /s/

5 Chief Deputy City Attorney

Secretary

6
7 Clerk

Adopted 10-24-2020



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: March 11, 2020
DATE: March 3, 2020

SUMMARY: A resolution adopting Public Utility Board Strategic Directives (SD) seven on Reliability and Resiliency.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts Strategic Directive seven listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board.

The Reliability and Resiliency policy establishes TPU's commitment to reliably deliver to its customers the power, water and rail services they need and will rebound quickly from all interruptions in such service delivery. Reliable delivery of adequate power, water and rail service to customers is necessary to support the lives, health, and businesses of TPU customers and is one of TPU's highest priorities.

TPU believes long-term strategic planning, including resource planning, financial planning and asset management planning, will ensure infrastructure, facilities and personnel sufficient to meet TPU's reliability and resilience goals within budget and rate limitations.

Utility-wide planning for continuation of operations and restoration of utility service in response to naturally occurring or man-made threats and hazards is necessary to ensure restoration of essential utility functions after such events as quickly as possible and the restoration of full utility services in a reasonable period of time.

TPU should strive to be a regional leader in planning and response to naturally occurring or man-made threats and hazards to the communities in which it operates.

These policies were developed at regularly scheduled or properly-noticed Board study sessions and meetings and all future reviews and amendments to the Public Utility Board policies will be handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS: Strategic Directive 7 – Reliability and Resilience

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

| | |
|--|--|
| Category: Strategic Directive | Title: Reliability and Resiliency |
| Date of Adoption: June 24, 2020 | Policy Number: SD-7 |
| Resolution No.: U-11168 | Revision Date: |

Purpose

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.

Values

1. Reliable delivery of adequate power, water and rail service to customers is necessary to support the lives, health, and businesses of TPU customers and is one of TPU's highest priorities.
2. TPU believes long-term strategic planning, including resource planning, financial planning and asset management planning, will ensure infrastructure, facilities and personnel sufficient to meet TPU's reliability and resilience goals within budget and rate limitations.
3. Utility-wide planning for continuation of operations and restoration of utility service in response to naturally occurring or man-made threats and hazards is necessary to ensure restoration of essential utility functions after such events as quickly as possible and the restoration of full utility services in a reasonable period of time.
4. TPU should strive to be a regional leader in planning and response to naturally occurring or man-made threats and hazards to the communities in which it operates.

Outcomes – Regular Operations

1. TPU will comply with NERC Reliability and FERC Dam Safety and Security requirements.
2. TPU will have a high percentage of its power generation resources available at all times and will plan for maintenance and repair activities that minimize unavailability of required resources.

3. TPU's acquisitions of power from third-parties, together with its own generation resources, will meet its resource adequacy planning goals for short-term and long-term reliable delivery of power that meets customer requirements and TPU's obligations to regional power supply organizations.
4. TPU will provide power transmission and distribution resources that meet or exceed industry benchmarks.
5. TPU will maintain sources of supply, infrastructure, facilities and personnel necessary to meet or exceed water supply required by the Department of Health and other regulators.
6. TPU will maintain its sources of supply, infrastructure, facilities, and personnel necessary to meet or exceed water quality standards required by the Department of Health or other regulators.
7. TPU will maintain on-time delivery of completed trains to its Class 1 railroad customers and individual carloads to its commercial customers that meets or exceeds industry standards.

Outcomes – During and After Disruptions

8. TPU will prepare, maintain, update regularly and practice all-hazards planning activities (including a Continuity of Operations Plan) for continuing utility services to customers and supporting regulatory requirements during and after disrupting events.
9. All-hazards planning will detail how TPU will restore and continue essential utility functions and supporting activities under all threats and conditions, whether naturally occurring or man-made. Essential functions are those that must be continued throughout, or resumed rapidly, after a disruption of normal operations.
10. All-hazards planning goals should include reducing loss of life and minimizing property damage restoring essential utility functions, reducing or mitigating disruption of operations, protecting essential facilities, equipment, records, and other assets, establishing a successful order of succession during an event if necessary and restoring communication with customers and community partners that informs the public about the source of the utility disruption, the status of restoration activities and the timeline for restoration of normal utility service.
11. Response goals will be scalable based on the severity of the disruptive event, its impact on the delivery of services, and the availability of resources necessary to respond. All-hazards planning recognizes that typical storm and weather disruptions and restorations require different goals, resources and responses than major earthquakes, cyber-attack or pandemic.
12. TPU will regularly participate in emergency preparedness exercises to measure the adequacy and effectiveness of TPU's emergency response plans and to inform the preparation of improved and updated emergency preparedness plans.

Measurements

1. On an average basis, TPU expects power outages among all residential customers within its service area, on average, one outage per year and those outages will not exceed 75 minutes in duration. TPU will calculate the outage frequency and duration measures using industry-standard methods.
2. Tacoma Water will maintain sufficient source supply to avoid residential customer curtailment 99 percent of the time on average.
3. Tacoma Water will maintain compliance with state and federal drinking water regulations 100 percent of the time.
4. Tacoma Rail expects to deliver intermodal trains at least 95% on-time and will deliver commercial carloads at least 85% on-time.
5. TPU will chart the time taken to activate emergency plans against the complexity of the incident or disaster.
6. Customer satisfaction regarding restoration of utility services after disruption is one measure of effectiveness of emergency planning.
7. Significant emergency preparedness plans (such as the Continuity of Operations Plan), policies and procedures should be reviewed annually and updated as needed to reflect changes in planning goals, available resources and changing threat assessments.

Reporting

Frequency: Quarterly or as otherwise appropriate

Method: Performance metrics from operating divisions.



RESOLUTION NO. U-11169

1 A RESOLUTION adopting Public Utility Board Strategic Directives (SD) Eight
2 on Telecom.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS this resolution adopts Strategic Directive Eight, that guides
10 TPU's efforts to effectively and efficiently address current and future challenges,
11 mitigate risks, pursue strategic opportunities, optimize services for TPU
12 customers, and capture the performance expectations of the Board, and
13

14 WHEREAS TPU owns a hybrid coaxial (HFC) network, portions of which
15 it uses for its own operational needs and leases out the excess capacity to
16 generate incremental economic value for the electric utility, and
17

18 WHEREAS SD Eight directs the full utilization of the capability and
19 capacity of the HFC network to ensure maximize return on investment,
20 continued public ownership of the HFC network, and value creation for public
21 and the communities it serves, and
22

23 WHEREAS TPU is changing its scope of the past Click! public – private
24 partnership, so the private partner can provide the retail video services in a
25 quick and evolving technological and business environment, and
26



WHEREAS 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, and

WHEREAS Tacoma Power will retain network maintenance responsibilities including locating, splicing, repair and relocation on the portion of the network that includes power system functions, and

WHEREAS policy goals include:

1. Continuing public ownership of telecommunications assets, especially those assets necessary for Tacoma Power operations;
2. Ensuring geographically, economically, and technologically equitable access;
3. Creating affordable access for low-income customers to telecommunication services;
4. Enforcing net neutrality principles for all customers;
5. Allowing open access to telecommunication assets by other telecommunication providers, to the extent such access benefits customers;
6. Preserving competition among telecommunication providers that benefits customers (such as high-quality, technologically up-to-date, and reasonably priced telecommunication services) including restricting transfer of ownership or operations that reduce competition;



7. Safeguarding the use of telecommunications services by Tacoma Power, the City, and other local governments;
8. Maintaining financial stability of the business operations utilizing TPU telecommunications infrastructure;
9. Promoting economic development and education opportunities;
10. Protecting customer privacy; and
11. Preserving market-leading customer service for telecommunications customers, and

WHEREAS these policies were developed at regularly-scheduled Board study sessions and/or properly-noticed public meetings and all future Board reviews and amendments will be handled similarly, and

WHEREAS the Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policies when necessary as TPU navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting the Public Utility Board Strategic Directive Eight on Telecom is in the best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,

///

///

///

///

///



1 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

2 That Public Utility Board Strategic Directive Eight on Telecom, in the form
3 as on file with the Clerk, is adopted and approved.

4
5 Approved as to form:

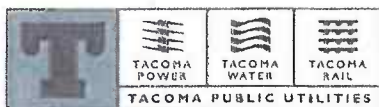
Chair

Secretary

6
7
8 /s/
9 Chief Deputy City Attorney

10 Clerk

Adopted 6-24-2020



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: June 15, 2020
DATE: June 24, 2020

SUMMARY: A resolution adopting Public Utility Board Strategic Directives (SD) Eight on Telecom.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts Strategic Directive Eight (SD8) listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board.

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.

Policy goals include: Continuing public ownership of the telecommunications assets, especially those assets necessary for Tacoma Power operations; Ensuring geographically, economically, and technologically equitable access; Creating affordable access for low-income customers to telecommunication services; Enforcing net neutrality principles for all customers; Allowing open access to telecommunication assets by other telecommunication providers, to the extent such access benefits customers; Preserving competition among telecommunication providers that benefits customers (such as high-quality, technologically up-to-date, and reasonably priced telecommunication services), including restricting transfer of ownership or operations that reduce competition; Safeguarding the use of telecommunications services by Tacoma Power, the City, and other local governments; Maintaining financial stability of the business operations utilizing TPU telecommunications infrastructure; Promoting economic development and educational opportunities; Protecting customer privacy; and Preserving market-leading customer service for telecommunications customers.

These policies were developed at regularly scheduled or properly-noticed Board study sessions and meetings and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.



Board Action Memorandum

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS: Strategic Directive 8 - Telecom

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

| | |
|--|------------------------------|
| Category: Strategic Directive | Title: Telecom |
| Date of Adoption: June 24, 2020 | Policy Number: SD - 8 |
| Resolution No.: U-11169 | |
| Revision Date: | |

Purpose

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.

Policy Goals

1. Continuing public ownership of the telecommunications assets, especially those assets necessary for Tacoma Power operations;
2. Ensuring geographically, economically, and technologically equitable access;
3. Creating affordable access for low-income customers to telecommunication services;
4. Enforcing net neutrality principles for all customers;
5. Allowing open access to telecommunication assets by other telecommunication providers, to the extent such access benefits customers;

6. Preserving competition among telecommunication providers that benefits customers (such as high-quality, technologically up-to-date, and reasonably priced telecommunication services), including restricting transfer of ownership or operations that reduce competition;
7. Safeguarding the use of telecommunications services by Tacoma Power, the City, and other local governments;
8. Maintaining financial stability of the business operations utilizing TPU telecommunications infrastructure;
9. Promoting economic development and educational opportunities;
10. Protecting customer privacy; and
11. Preserving market-leading customer service for telecommunications customers.

Outcomes

1. Set guidelines for preserving the structural integrity of TPU assets and safeguarding the use of telecommunications services by TPU, the City of Tacoma, and other local governments.
2. Preservation of the City's critical communications network for the Utility's needs.
3. Turn the HFC network into a positive cash flow situation for the Utility ratepayers.
4. Achieving the 12 Policy Goals through a locally owned and locally based private partner.
5. Identify and report key performance indicators on the status of the public-private partnership.
6. Advancement and growth in video and data services for both residential and business consumers.
7. Excellent customer sales and service, local presence, and transparent billing practices for telecommunications services.

Measurement

1. Establish Rainier Connect North, LLC as the lessee of the HFC network for the next 20-years upon the full execution of the Click! Business Transaction Agreement.
2. Positive cash flow from rent revenue associated with the agreement for operation of City owned commercial network.
3. Gigabit Internet services for 100% of properties by April 2023. The milestones for this measurement are to complete the engineering and design by March 31,

2021, and have Gigabit internet service available to 40% of properties by March 31, 2022.

4. Free internet access (wired or Wi-Fi) to at least 30 locations that provide services to low-income members of the community, with published availability.
5. Continued investments into the HFC network, by lessee, of at least \$1,500,000, adjusted for inflation. Capital expenditures will include expenditures on upgrades to successive generations of DOCSIS (Data Over Cable Service Interface Specifications), expenditures on upgrades to fiber-to-the-premises, and network equipment.
6. Fulfilment of customer service commitments outlined in the agreement for operational control of TPU's commercial network system "Exhibit I."

Reporting

Monitor compliance of reporting requirements outlined in the agreement for operational control of TPU's commercial network system "Exhibit R".



RESOLUTION NO. U-11170

1 A RESOLUTION adopting Public Utility Board Strategic Directives (SD) Nine on
2 Economic Development.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS this resolution adopts Strategic Directive Nine, that guides
10 TPU's efforts to effectively and efficiently address current and future challenges,
11 mitigate risks, pursue strategic opportunities, optimize services for TPU
12 customers, and capture the performance expectations of the Board, and
13

14 WHEREAS the Utilities are an asset that can aid in improved quality of
15 life for all TPU customers and stakeholders – a supplier in critical resources to
16 the communities it serves, and provides the foundation for building a strong and
17 resilient economy, which will ultimately result in more revenue for TPU, and
18

19 WHEREAS policy goals include:

- 20 1. Support of economic growth and family wage jobs through efforts
21 aimed at increasing TPU's retail sales;
- 22 2. Increasing the quality of life indicators for TPU's customers and
23 stakeholders, including addressing issues of equity, diversity,
24 inclusivity, environmental justice and economic mobility;
- 25 3. Ensuring TPU is an outward-facing, customer-focused utility;
- 26



4. TPU will highlight the strengths of its business units and those of the region as a whole when engaging with prospective and existing businesses in order to increase regional economic activity;
5. TPU's positive customer experience will reasonably extend to potential and existing business customers;
6. TPU values increasing retail sales and prioritizes removing or mitigating disincentives for new and expanding customers;
7. TPU values the differentiation that Tacoma Rail brings by being port-adjacent and one of only a handful of municipally-owned railways;
8. TPU values the development, retention and attraction of entrepreneurs and skilled talent, as key strategies to spur new and existing business with short and long-term growth opportunities; and
9. TPU values the creation and retention of employment opportunities in the region especially those that pay a living wage and provide opportunities for personal and professional growth, and

WHEREAS TPU will coordinate with local regional entities to leverage the region's unique strengths to attract innovation and economic activity, resulting in higher quality of life indicators for the region by:

1. Working with its partners to bundle potential inducements and assistance for the purposes of attracting new businesses;
2. Growing customer and revenue base through new businesses or new demand potential;



- 1 3. Actively coordinating with our local and regional economic
2 development partners;
- 3 4. TPU's economic development strategies and programs align and
4 complement existing regional plans;
- 5 5. Economic benefits are generated through an expanded economic
6 base, increased utility demand, and capital investments to TPU's
7 regional infrastructure such as electrical undergrounding where
8 appropriate;
- 9 6. Greater economic resiliency resulting from an increased
10 diversification of TPU's customer size and industrial sector;
- 11 7. TPU regularly reviews its permitting fees, applications, and processes
12 to streamline and add predictability to the pre-development of
13 commercial and industrial projects; and
- 14 8. Tacoma Power's policies and procedures provide clear evaluation
15 criteria on the undergrounding of power infrastructure, taking in
16 account cost, alternative options, timing, geography, zoning, and
17 development criteria, and

18 WHEREAS these policies were developed at regularly-scheduled Board
19 study sessions and/or properly-noticed public meetings and all future Board
20 reviews and amendments will be handled similarly, and

21 WHEREAS the Board has committed to monitor and ensure compliance
22 with Board policies. This oversight provides an opportunity for the Board and
23



staff to clarify, revise and develop new policies when necessary as TPU

1 navigates changes in the utility industry, and

2 WHEREAS the Board and Director have determined that adopting the
3 Public Utility Board Strategic Directive Nine on Economic Development is in the
4 best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,
5 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:
6

7 That Public Utility Board Strategic Directive Nine on Economic
8 Development, in the form as on file with the Clerk, is adopted and approved.
9

10 Approved as to form:

Chair

Paul R. Patterson

/s/

14 Chief Deputy City Attorney

Secretary

15 Charles J. [Signature]
16 Clerk

Adopted 6-24-2020



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: June 15, 2020
DATE: June 24, 2020

SUMMARY: A resolution adopting Public Utility Board Strategic Directives (SD) Nine on Economic Development.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts Strategic Directive Nine (SD9) listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board.

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.

Policy goals include: Support of economic growth and family wage jobs through efforts aimed at increasing TPU's retail sales; Increasing the quality of life indicators for TPU's customers and stakeholders, including addressing issues of equity, diversity, inclusivity, environmental justice and economic mobility; Ensuring TPU is an outward facing, customer focused utility; TPU will highlight the strengths of its business units and those of the region as a whole when engaging with prospective and existing businesses in order to increase regional economic activity; TPU's positive customer experience will reasonably extend to potential and existing business customers; TPU values increasing retail sales and prioritizes removing or mitigating disincentives for new and expanding customers; TPU values the differentiation that Tacoma Rail brings by being port adjacent and one of only a handful of municipally owned railways; TPU values the development, retention and attraction of entrepreneurs and skilled talent, as key strategies to spur new and existing business with short and long-term growth opportunities; TPU values the creation and retention of employment opportunities in the region especially those that pay a living wage and provide opportunities for personal and professional growth.

TPU will coordinate with local and regional entities to leverage the region's unique strengths to attract innovation and economic activity resulting in higher quality of life indicators for the region by: working with its partners to bundle potential inducements and assistance for the purposes of attracting new businesses; Growing customer and revenue base through new businesses or new demand potential; actively coordinating with our local and regional economic development partners; TPU's economic development strategies and programs align and complement existing regional plans; Economic benefits are generated through an expanded economic base, increased utility demand, and capital investments to TPU's regional infrastructure such as electrical undergrounding where appropriate; Greater economic resiliency resulting from an increased diversification of TPU's customer size and industrial sector;



Board Action Memorandum

TPU Regularly reviews its permitting fees, applications, and processes to streamline and add predictability to the pre-development of commercial and industrial projects; Tacoma Power's policies and procedures provide clear evaluation criteria on the undergrounding of power infrastructure, taking into account cost, alternative options, timing, geography, zoning, and development criteria.

These policies were developed at regularly scheduled or properly-noticed Board study sessions and meetings and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS: Strategic Directive 9 – Economic Development

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

| | |
|---|---|
| <p>Category: Strategic Directive</p> <p>Date of Adoption: June 24, 2020</p> <p>Resolution No.: U-11170</p> <p>Revision Date:</p> | <p>Title: Economic Development</p> <p>Policy Number: SD-9</p> |
|---|---|

Purpose

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.

Values

1. Support of economic growth and family wage jobs through efforts aimed at increasing TPU's retail sales.
2. Increasing the quality of life indicators for TPU's customers and stakeholders, including addressing issues of equity, diversity, inclusivity, environmental justice and economic mobility.
3. Ensuring TPU is an outward facing, customer focused utility.
4. TPU will highlight the strengths of its business units and those of the region as a whole when engaging with prospective and existing businesses in order to increase regional economic activity.
5. TPU's positive customer experience will reasonably extend to potential and existing business customers.
6. TPU values increasing retail sales and prioritizes removing or mitigating disincentives for new and expanding customers.
7. TPU values the differentiation that Tacoma Rail brings by being port adjacent and one of only a handful of municipally owned railways.

8. TPU values the development, retention and attraction of entrepreneurs and skilled talent, as key strategies to spur new and existing business with short and long-term growth opportunities.
9. TPU values the creation and retention of employment opportunities in the region especially those that pay a living wage and provide opportunities for personal and professional growth.

Outcomes

TPU will coordinate with local and regional entities to leverage the region's unique strengths to attract innovation and economic activity resulting in higher quality of life indicators for the region.

1. TPU works with its partners to bundle potential inducements and assistance for the purposes of attracting new businesses.
2. Growth in TPU's customer and revenue base through new businesses or new demand potential.
3. TPU actively coordinates with our local and regional economic development partners.
4. TPU's economic development strategies and programs align and complement existing regional plans.
5. Economic benefits are generated through an expanded economic base, increased utility demand, and capital investments to TPU's regional infrastructure such as electrical undergrounding where appropriate.
6. Greater economic resiliency resulting from an increased diversification of TPU's customer size and industrial sector.
7. TPU Regularly reviews its permitting fees, applications, and processes to streamline and add predictability to the pre-development of commercial and industrial projects.
8. Tacoma Power's policies and procedures provide clear evaluation criteria on the undergrounding of power infrastructure, taking into account cost, alternative options, timing, geography, zoning, and development criteria.

Measurements

1. Number of customers and prospects assisted.
2. Annually review New Service Engineering (Water and Power) and other relevant customer surveys.

3. Track participation with Partners related to Economic Development. TPU Partners include economic development organizations, Franchise Cities, Chambers of Commerce, Port of Tacoma, Tribal Entities, Associations and others.
4. Linkages between TPU's strategic plan and other economic plans in the community.
5. Evaluate the effectiveness of the Brewery District pilot program for undergrounding power infrastructure.

Reporting

Annual presentations to the Public Utility Board.



RESOLUTION NO. U-11192

1 A RESOLUTION adopting Public Utility Board Strategic Directive (SD) Ten on
2 Government Relations.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS the Strategic Directives guides TPU's efforts to effectively
10 and efficiently address current and future challenges, mitigate risks, pursue
11 strategic opportunities, optimize services for TPU customers, and capture the
12 performance expectations of the Board, and
13

14 WHEREAS this resolution adopts Strategic Directive Ten concerning
15 Government Relations, and

16 WHEREAS TPU is committed to building and strengthening respectful
17 and mutually-productive relationships with tribal, federal, state, and other local
18 units of government in order for public policy to benefit TPU customers and to
19 foster the outcomes set out in TPU's Strategic Directives, and
20

21 WHEREAS the Values set forth in Strategic Directive Ten are:

- 22 1. TPU values the relationship it has with tribal, federal, state, and other
23 local units of government;
24
25
26



- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
2. TPU recognizes the sovereign status of Tribal Nations and is committed to consulting with those Nations on a government-to-government basis;
3. TPU will develop, preserve and enhance government-to-government relationships through building trust, being responsive, proactive communication of relevant information and services, and collaboration based on mutual interests;
4. TPU is committed to strong collaboration and proactive communication with the City of Tacoma's General Government;
5. TPU is committed to communicating and working with tribal and government partners near outlying TPU facilities and lands and to communicating about TPU programs that benefit their communities, and

WHEREAS the Outcomes of this Strategic Directive include:

1. Ongoing government-to-government consultation with sovereign Tribal Nations will ensure long-term stewardship of TPU-managed resources in mutually beneficial ways;
2. TPU's policy initiatives are developed with the goal of alignment with the City of Tacoma's General Government. TPU and General Government staff collaborate and actively communicate on a regular basis to seek alignment. Where interests diverge, active communication and collaboration fosters understanding and mitigates negative impacts;



- 1 3. Policy decisions at the federal, state and local level protect the long-
2 term investment that the Citizens of Tacoma and TPU customers
3 have made in the infrastructure, operational capacity, financial
4 stability and intellectual capital of TPU;
- 5 4. TPU is seen as a leader locally, regionally, and nationally in
6 strategically developing policy positions and initiatives that benefit
7 TPU, and the industries and communities in which it operates;
- 8 5. TPU's ongoing relationship with franchise cities ensures collaboration
9 and smooth negotiation on franchise agreements and issues of
10 mutual concern;
- 11 6. TPU will consistently engage in regular, proactive outreach with its
12 government partners with the intention of listening, sharing relevant
13 information, and identifying opportunities for collaboration when
14 possible;
- 15 7. When full alignment is not possible, TPU will transparently
16 acknowledge differences, communicate challenges and seek to
17 maintain strong, trusting relationships with government partners; and
18 8. TPU will endeavor to avoid litigation with other government entities,
19 except where necessary to protect vital interests or to determine
20 precedent, and seek solutions through negotiation.

21 WHEREAS these policies were developed at regularly-scheduled Board
22 study sessions and/or properly-noticed public meetings and all future Board
23 reviews and amendments will be handled similarly, and



WHEREAS the Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policies when necessary as TPU navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting Public Utility Board Strategic Directive Ten on Government Relations is in the best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore, BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Public Utility Board Strategic Directive Ten on Government Relations, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:

/s/
Chief Deputy City Attorney

Charles Jacoby
Clerk

Chair

Christine L. Cooley
Secretary

Adopted 9-9-2020



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: September 9, 2020
DATE: September 1, 2020

SUMMARY: A resolution adopting Public Utility Board Strategic Directives (SD) Ten on Government Relations.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts Strategic Directive Ten (SD10) listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board.

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.

Values of this Strategic Directive: 1) TPU values the relationship it has with tribal, federal, state, and other local units of government; 2) TPU recognizes the sovereign status of Tribal Nations and is committed to consulting with those Nations on a government-to-government basis; 3) TPU will develop, preserve and enhance government-to-government relationships through building trust, being responsive, proactive communication of relevant information and services, and collaboration based on mutual interests; 4) TPU is committed to strong collaboration and proactive communication with the City of Tacoma's General Government; 5) TPU is committed to communicating and working with tribal and other government partners near outlying TPU facilities and lands and to communicating about TPU programs that benefit their communities.

Outcomes of this Strategic Directive: 1) Ongoing government-to-government consultation with sovereign Tribal Nations will ensure long term stewardship of TPU managed resources in mutually beneficial ways; 2) TPU's policy initiatives are developed with the goal of alignment with the City of Tacoma's General Government. TPU and General Government staff collaborate and actively communicate on a regular basis to seek alignment. Where interests diverge, active communication and collaboration fosters understanding and mitigates negative impacts; 3) Policy decisions at the federal, state and local level protect the long-term investment that the residents of Tacoma and TPU customers have made in the infrastructure, operational capacity, financial stability and intellectual capital of TPU; 4) TPU is seen as a leader locally, regionally, and nationally in strategically developing policy positions and initiatives that benefit TPU, and the industries and communities in which it operates; 5) TPU's ongoing relationship with franchise cities ensures collaboration and smooth negotiation on franchise agreements and issues of mutual concern; 6) TPU will consistently engage in regular, proactive outreach with its government partners with the intention of listening, sharing relevant information, and identifying opportunities for collaboration when possible; 7)



Board Action Memorandum

When full alignment is not possible, TPU will transparently acknowledge differences, communicate challenges and seek to maintain strong, trusting relationships with government partners; 8) TPU will reasonably avoid litigation with other government entities, except where necessary to protect vital interests or to determine precedent, and will seek solutions through negotiation.

These policies were developed at regularly scheduled or properly-noticed Board study sessions and meetings and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.

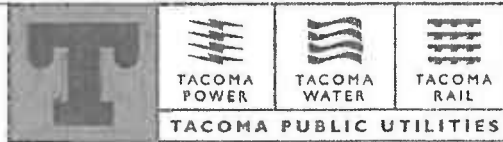
The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? N/A

ATTACHMENTS: Strategic Directive 10 – Government Relations

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

| | |
|--|------------------------------------|
| Category: Strategic Directive | Title: Government Relations |
| Date of Adoption: September 9, 2020 | Policy Number: SD-10 |
| Resolution No.: U-11192 | Reporting Frequency: |
| Revision Date: | Reporting Method: |

Purpose

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.

Values

1. TPU values the relationship it has with tribal, federal, state, and other local units of government.
2. TPU recognizes the sovereign status of Tribal Nations and is committed to consulting with those Nations on a government-to-government basis.
3. TPU will develop, preserve and enhance government-to-government relationships through building trust, being responsive, proactive communication of relevant information and services, and collaboration based on mutual interests.
4. TPU is committed to strong collaboration and proactive communication with the City of Tacoma's General Government.
5. TPU is committed to communicating and working with tribal and other government partners near outlying TPU facilities and lands and to communicating about TPU programs that benefit their communities.

Outcomes

1. Ongoing government-to-government consultation with sovereign Tribal Nations will ensure long term stewardship of TPU managed resources in mutually beneficial ways.
2. TPU's policy initiatives are developed with the goal of alignment with the City of Tacoma's General Government. TPU and General Government staff collaborate and actively communicate on a regular basis to seek alignment. Where interests diverge,

active communication and collaboration fosters understanding and mitigates negative impacts.

3. Policy decisions at the federal, state and local level protect the long-term investment that the residents of Tacoma and TPU customers have made in the infrastructure, operational capacity, financial stability and intellectual capital of TPU.
4. TPU is seen as a leader locally, regionally, and nationally in strategically developing policy positions and initiatives that benefit TPU, and the industries and communities in which it operates.
5. TPU's ongoing relationship with franchise cities ensures collaboration and smooth negotiation on franchise agreements and issues of mutual concern.
6. TPU will consistently engage in regular, proactive outreach with its government partners with the intention of listening, sharing relevant information, and identifying opportunities for collaboration when possible.
7. When full alignment is not possible, TPU will transparently acknowledge differences, communicate challenges and seek to maintain strong, trusting relationships with government partners.
8. TPU will reasonably avoid litigation with other government entities, except where necessary to protect vital interests or to determine precedent, and will seek solutions through negotiation.

Measurement

1. TPU staff will internally track government relations activities, including necessary follow-up.
2. TPU staff will provide consistent updates to government partners and regularly seek feedback regarding projects, rates, and programs.
3. TPU staff will regularly provide the Public Utility Board, TPU executives, and staff with information about government relations activities and any potential recommended policy changes and/or impacts relating to a government partner.

Reporting

1. Staff will report on active policy initiatives and significant policy issues at the Federal, state and local level to the Board on a bi-annual basis.
2. Once before, once during, and once after the Washington State legislative session.



RESOLUTION NO. U-11193

1 A RESOLUTION adopting Public Utility Board Strategic Directive (SD) Eleven
2 on Decarbonization.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS the Strategic Directives guide TPU's efforts to effectively and
10 efficiently address current and future challenges, mitigate risks, pursue strategic
11 opportunities, optimize services for TPU customers, and capture the
12 performance expectations of the Board, and
13

14 WHEREAS this resolution adopts Strategic Directive Eleven concerning
15 Decarbonization; and

16 WHEREAS TPU seeks to be a leader in decarbonization of the electric
17 utility system and transportation electrification and to promote Tacoma Power's
18 renewable and nearly carbon-free generation portfolio as a driver of economic
19 development and competitive advantage for existing customers, and
20

21 WHEREAS the Values set forth in Strategic Directive Eleven are:

- 22 1. TPU is committed to advancing decarbonization of the electric utility
23 system and transportation electrification where technically and
24 economically feasible to meet these challenges today and into the
25 future;
26



- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
2. Electrification of transportation can produce new markets for TPU and can provide added revenue from surplus power that can help keep rates down for all customers;
3. The TPU Board joins the Tacoma City Council in supporting Council Resolution 40509, relating to the reality of climate change, and Council Resolution 39427, the Environmental Action Plan;
4. TPU believes that decarbonization is a vital tool to address the public emergency of climate change, and will help to minimize harm to current and future generations;
5. The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that decarbonization and transportation electrification is pursued with strict discipline through analysis, sound technical data and good management oversight;
6. TPU is committed to educating our customers on the benefits of decarbonization and transportation electrification; and
7. TPU is committed to decarbonizing our own operations and transitioning to electrified transportation as much as economically and operationally feasible, and

23 WHEREAS the Outcomes of this Strategic Directive include:

- 24 1. Decarbonization and transportation electrification activities are
25 identified, deployed, and supported with financial investment;
26



- 1 2. TPU will promote and support decarbonization efforts which benefit
2 our customers, reducing their costs as well as reducing rate pressure;
- 3 3. TPU will seek opportunities to make pro-active capital investments to
4 accommodate anticipated customer electrification and
5 decarbonization efforts;
- 6 4. TPU will be ready to act on opportunities as they arise by researching
7 our customers' needs and barriers with regards to transportation
8 electrification and collaborating with federal, state, and local
9 governments, private business, and other stakeholders;
- 10 5. TPU will leverage its abundant natural resources to support
11 decarbonization through the development of carbon credit projects;
- 12 6. TPU will seek opportunities to reduce greenhouse gas emissions in
13 our own activities where operationally appropriate by replacing
14 energy-using devices with electric alternatives;
- 15 7. TPU will partner with and support the City of Tacoma in their
16 greenhouse gas reduction efforts;
- 17 8. TPU will encourage electrification of transportation and
18 decarbonization in the community and support with programs and
19 initiatives in alignment with TPU business objectives and statutory
20 authority;
- 21 9. TPU will support a legislative agenda that improves Tacoma
22 Power's ability to advance decarbonization through increased
23 electrification of energy use; and
24 electrification of energy use; and
25 electrification of energy use; and
26 electrification of energy use; and



10. Decarbonization efforts are made transparent through reporting, and
WHEREAS these policies were developed at regularly-scheduled Board
study sessions and/or properly-noticed public meetings and all future Board
reviews and amendments will be handled similarly, and

WHEREAS the Board has committed to monitor and ensure compliance
with Board policies. This oversight provides an opportunity for the Board and
staff to clarify, revise and develop new policies when necessary as TPU
navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting Public
Utility Board Strategic Directive Eleven on Decarbonization is in the best
interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,
BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Public Utility Board Strategic Directive Eleven on Decarbonization, in
the form as on file with the Clerk, is adopted and approved.

Approved as to form:

/s/

Chief Deputy City Attorney

Clerk

Chair

Christina L. Cooley
Secretary
Adopted 9-9-2020



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
FROM: Tom Morrill, Chief Deputy City Attorney
Charleen Jacobs, Executive Assistant and Clerk of the Board
MEETING DATE: August 31, 2020
DATE: September 9, 2020

SUMMARY: A resolution adopting Public Utility Board Strategic Directives (SD) Eleven on Decarbonization.

BACKGROUND: It is a time of monumental change in the utility industry. Utilities must embrace innovation and move quickly to find new and better ways to deliver affordable, reliable, and environmentally sensitive services to their customers. With this in mind, the Tacoma Public Utility Board launched a process to develop policies concerning Government Processes, Board-Director Linkage, and Strategic Directives.

This resolution adopts Strategic Directive Eleven (SD11) listed above. Strategic Directives guide TPU's efforts to effectively and efficiently address current and future challenges, mitigate risks, pursue strategic opportunities, and optimize services for the TPU customers. Strategic Directives also capture the performance expectations of the Board.

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.

Values include: TPU is committed to advancing decarbonization of the electric utility system and transportation electrification where technically and economically feasible to meet these challenges today and into the future; Electrification of transportation can produce new markets for TPU and can provide added revenue from surplus power that can help keep rates down for all customers; The TPU Board joins the Tacoma City Council in supporting Council Resolution 40509, relating to the reality of climate change, and Council Resolution 39427, the Environmental Action Plan; TPU believes that decarbonization is a vital tool to address the public emergency of climate change, and will help to minimize harm to current and future generations; The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that decarbonization and transportation electrification is pursued with strict discipline through analysis, sound technical data and good management oversight; TPU is committed to educating our customers on the benefits of decarbonization and transportation electrification; TPU is committed to decarbonizing our own operations and transitioning to electrified transportation as much as economically and operationally feasible.

Outcomes include: Decarbonization and transportation electrification activities are identified, deployed, and supported with financial investment; TPU will promote and support decarbonization efforts which benefit our customers, reducing their costs as well as reducing rate pressure. TPU will seek opportunities to make proactive capital investments to accommodate anticipated customer electrification and decarbonization efforts; TPU will be ready to act on opportunities as they arise by researching our customers' needs and barriers with regards to transportation electrification and collaborating with federal, state, and local governments, private business, and other stakeholders; TPU will leverage its abundant natural resources to support decarbonization through the development of carbon credit projects; TPU will



Board Action Memorandum

seek opportunities to reduce greenhouse gas emissions in our own activities where operationally appropriate by replacing energy using devices with electric alternatives; TPU will partner with and support the City of Tacoma in their greenhouse gas reduction efforts; TPU will encourage electrification of transportation and decarbonization in the community and support with programs and initiatives in alignment with TPU business objectives and statutory authority; TPU will support a legislative agenda that improves Tacoma Power's ability to advance decarbonization through increased electrification of energy use; Decarbonization efforts are made transparent through reporting.

These policies were developed at regularly scheduled or properly-noticed Board study sessions and meetings and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR?
N/A

ATTACHMENTS: Strategic Directive 11 – Decarbonization

CONTACT: Jackie Flowers, Director of Utilities



PUBLIC UTILITY BOARD POLICY

| | |
|--|-------------------------------|
| Category: Strategic Directive | Title: Decarbonization |
| Date of Adoption: September 9, 2020 | Policy Number: SD-11 |
| Resolution No.: U-11193 | |
| Revision Date: | |

Purpose

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.

Values

1. TPU is committed to advancing decarbonization of the electric utility system and transportation electrification where technically and economically feasible to meet these challenges today and into the future.
2. Electrification of transportation can produce new markets for TPU and can provide added revenue from surplus power that can help keep rates down for all customers.
3. The TPU Board joins the Tacoma City Council in supporting Council Resolution 40509, relating to the reality of climate change, and Council Resolution 39427, the Environmental Action Plan.
4. TPU believes that decarbonization is a vital tool to address the public emergency of climate change, and will help to minimize harm to current and future generations.
5. The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that decarbonization and transportation electrification is pursued with strict discipline through analysis, sound technical data and good management oversight.

6. TPU is committed to educating our customers on the benefits of decarbonization and transportation electrification.
7. TPU is committed to decarbonizing our own operations and transitioning to electrified transportation as much as economically and operationally feasible.

Outcomes

1. Decarbonization and transportation electrification activities are identified, deployed, and supported with financial investment.
2. TPU will promote and support decarbonization efforts which benefit our customers, reducing their costs as well as reducing rate pressure. TPU will seek opportunities to make pro-active capital investments to accommodate anticipated customer electrification and decarbonization efforts.
3. TPU will be ready to act on opportunities as they arise by researching our customers' needs and barriers with regards to transportation electrification and collaborating with federal, state, and local governments, private business, and other stakeholders.
4. TPU will leverage its abundant natural resources to support decarbonization through the development of carbon credit projects.
5. TPU will seek opportunities to reduce greenhouse gas emissions in our own activities where operationally appropriate by replacing energy using devices with electric alternatives.
6. TPU will partner with and support the City of Tacoma in their greenhouse gas reduction efforts.
7. TPU will encourage electrification of transportation and decarbonization in the community and support with programs and initiatives in alignment with TPU business objectives and statutory authority.
8. TPU will support a legislative agenda that improves Tacoma Power's ability to advance decarbonization through increased electrification of energy use.
9. Decarbonization efforts are made transparent through reporting.

Measurements

1. Track progress on related Tacoma Environmental Action Plan and participate in City's Greenhouse Gas Inventory.
2. Adhere to the Transportation Electrification Strategic Plan.

3. Decarbonization goals will be reflected in long term planning such as the Power Integrated Resource Plan.
4. Track community outreach and communication activities related to decarbonization and transportation electrification.
5. Report to the Utility Board on organizational work groups who are focused on innovation, research and development, and modernization projects.
6. Individual work groups track and report progress.
7. Agree on simple metrics that can be tracked and reported. These metrics should map directly to an established value profile.

Reporting

1. Frequency: Annually
2. Reporting Method: To Be Developed.



RESOLUTION NO. U-11196

1 A RESOLUTION adopting Public Utility Board Strategic Directive (SD) Twelve
2 on Employee Relations.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS the Strategic Directives guide TPU's efforts to effectively and
10 efficiently address current and future challenges, mitigate risks, pursue strategic
11 opportunities, optimize services for TPU customers, and capture the
12 performance expectations of the Board, and
13

14 WHEREAS this resolution adopts Strategic Directive Twelve concerning
15 Employee Relations, and

16 WHEREAS Tacoma Public Utilities Leadership along with the Public
17 Utilities Board consider employees our most valuable assets, as TPU
18 employees are the face of the utility to our customers and their dedication
19 keeps the utility running on a day-to-day basis, and
20

21 WHEREAS TPU is committed to creating and maintaining a positive,
22 supportive environment where employees are inspired to do their best work,
23 and this commitment ensures that all employees benefit from a safe, productive
24 work environment, fair and equitable compensation, recognition of efforts, and
25 the sense that they are valued, and
26



WHEREAS the Values set forth in Strategic Directive Twelve are:

1. TPU leaders will ensure a safe and healthy work environment for all employees;
2. TPU will ensure consistent, fair, and equitable treatment and compensation for all employees;
3. TPU will foster transparent, open communication and will solicit and encourage frequent, two-way communication;
4. TPU will support, invest in and make available opportunities for career growth and development; and
5. TPU will provide an equitable work environment; and

WHEREAS the Outcomes of this Strategic Directive include:

1. Employees feel physically and emotionally safe while at work;
2. Employees will feel respected, valued and heard;
3. Employee feedback is acted upon by creating focused efforts to address areas of concern; work diligently to maintain what is working well and adopt consistently across the organization; communicate efforts broadly and regularly;
4. Equitable access to training and job opportunities; employees have a clear understanding of developmental opportunities;
5. Fair and equitable compensation for work;
6. Both formal and informal recognition for employees is provided on an ongoing and regular basis; and



7. Leaders working together across TPU to ensure fair and consistent treatment of all employees; and

WHEREAS these policies were developed at regularly-scheduled Board study sessions and/or properly-noticed public meetings and all future Board reviews and amendments will be handled similarly, and

WHEREAS the Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policies when necessary as TPU navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting Public Utility Board Strategic Directive Twelve on Employee Relations is in the best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore, BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That Public Utility Board Strategic Directive Twelve on Employee Relations, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:

/s/
Chief Deputy City Attorney
Marleen Jacobs
Clerk

Chair
Christine L. Cooley
Secretary
Adopted 9-23-2020



PUBLIC UTILITY BOARD POLICY

| | |
|---|---|
| Category: Strategic Directive Date of Adoption: September 23, 2020 Resolution No.: U-11196 Revision Date: | Title: Employee Relations Policy Number: SD-12 |
|---|---|

Purpose

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.

Values

1. TPU leaders will ensure a safe and healthy work environment for all employees.
2. TPU will ensure consistent, fair, and equitable treatment and compensation for all employees.
3. TPU will foster transparent, open communication and will solicit and encourage frequent, two-way communication.
4. TPU will support, invest in and make available opportunities for career growth and development.
5. TPU will provide an equitable work environment.

Outcomes

1. Employees feel physically and emotionally safe while at work.
2. Employees feel respected, valued and heard.
3. Employee feedback is acted upon by creating focused efforts to address areas of concern. Work diligently to maintain what is working well and adopt consistently across the organization. Communicate efforts broadly and regularly.
4. Equitable access to training and job opportunities. Employees have a clear understanding of developmental opportunities.
5. Fair and equitable compensation for work.

6. Recognitions: both formal and informal recognition for employees is provided on an ongoing, regular basis.
7. Leaders work together across TPU to ensure fair and consistent treatment of all employees.

Measurement

1. Employee Survey results will reflect outcomes.
2. Safety goals utilizing the results of: Completion rates as a percentage by department of Safety Culture Excellence Workshop (SCEW) and Supervisor Training in Accountability and Recognition Techniques (START) safety training courses; KPIs by department related to site visits; KPIs by department related to corrective actions.
3. Summary of recognition efforts.

Reporting

Frequency: Annually

Reporting method: Employee Survey, employee performance reviews



RESOLUTION NO. U-11197

1 A RESOLUTION adopting Public Utility Board Strategic Directive (SD) Thirteen
2 on Customer Service.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS the Strategic Directives guide TPU's efforts to effectively and
10 efficiently address current and future challenges, mitigate risks, pursue strategic
11 opportunities, optimize services for TPU customers, and capture the
12 performance expectations of the Board, and
13

14 WHEREAS this resolution adopts Strategic Directive Thirteen concerning
15 Customer Service; and

16 WHEREAS as a municipal utility, TPU is committed to providing the
17 highest levels of customer services and the Public Utility Board has established
18 this directive to ensure positive customer experiences in their interactions with
19 TPU staff, Board Members, consultants, and sub-contractors, and
20

21 WHEREAS the Values set forth in Strategic Directive Thirteen are:

- 22 1. TPU takes pride in its role as a critical services supplier for the
23 communities it serves and recognizes the impact customer service
24 has on community relations, trust and respect; and
25
26



1 2. TPU customers will be treated compassionately, respectfully and
2 equitably; and

3 3. TPU customers and stakeholders will be listened to, valued and
4 engaged with civil, professional, and timely communication in our
5 communities and most commonly used languages; and

6 WHEREAS the Outcomes of this Strategic Directive include:

7 1. TPU's customer service will be known for excellence by our
8 customers;

9 2. TPU will have payment options and assistance programs designed to
10 provide customers with access to financial support and resources;

11 3. TPU staff will keep the Public Utility Board apprised of best practices
12 and customer services trends including new technology;

13 4. TPU will ensure our complaint processes are adequate for all
14 customers who believe their treatment has not been appropriate;
15 customer feedback will be used to improve future processes; and

16 5. TPU will leverage technology in an attempt to serve customers in
17 their preferred communication channels; and

18 WHEREAS these policies were developed at regularly-scheduled Board
19 study sessions and/or properly-noticed public meetings and all future Board
20 reviews and amendments will be handled similarly, and

21 WHEREAS the Board has committed to monitor and ensure compliance
22 with Board policies. This oversight provides an opportunity for the Board and
23



staff to clarify, revise and develop new policies when necessary as TPU

1 navigates changes in the utility industry, and

2 WHEREAS the Board and Director have determined that adopting Public
3 Utility Board Strategic Directive Thirteen on Customer Service is in the best
4 interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,
5

6 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

7 That Public Utility Board Strategic Directive Thirteen on Customer
8 Service, in the form as on file with the Clerk, is adapted and approved.

9 Approved as to form:

10 /s/

11 Chief Deputy City Attorney

12 Charles J. Fuchs
13 Clerk

Chair

Secretary

Adopted

9-23-2020



PUBLIC UTILITY BOARD POLICY

Category: **Strategic Directive**

Date of Adoption: **September 23, 2020**

Resolution No.: **U-11197**

Revision Date:

Title: **Customer Service**

Policy Number: **SD-13**

Purpose

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.

Values

1. TPU takes pride in its role as a critical services supplier for the communities it serves. TPU recognizes the impact customer service has on community relations, trust and respect.
2. TPU customers will be treated compassionately, respectfully, and equitably.
3. TPU customers and stakeholders will be listened to, valued and engaged with civil, professional, and timely communication in our communities most commonly used languages.

Outcomes

1. TPU's customer service will be known for excellence by our customers.
2. TPU will have payment options and assistance programs designed to provide customers with access to financial support and resources.
3. TPU staff will keep the Public Utility Board apprised of best practices and customer service trends including new technology.
4. TPU will ensure our complaint processes are adequate for all customers who believe their treatment has not been appropriate. Customer feedback will be used to improve future processes.

5. TPU will leverage technology in an attempt to serve customers in their preferred communication channels.

Measurements

1. TPU's Public Utility Board will receive an annual benchmark of customer satisfaction. TPU's goal is to achieve first or second quartile performance in customer satisfaction.
2. TPU's Public Utility Board will receive updates on key operational performance metrics with high customer value. These metrics include:
 - a. Total dollars and number of customers served through utility assistance programs.
 - b. Phone service levels and average speed to answer calls.
 - c. Billing timeliness and accuracy.

Reporting Frequency

Annually; the Customer Satisfaction Data (#1) will be provided in a Board report.

Quarterly; Operational Metrics (#2) will be provided in board reports.

Updates on assistance programs and other customer impacting initiatives will occur on an as needed basis.



RESOLUTION NO. U-11198

1 A RESOLUTION adopting Public Utility Board Strategic Directive (SD) Fourteen
2 on Resource Planning.

3 WHEREAS in response to changes in the utility industry, and to ensure
4 that Tacoma Public Utilities (TPU) continues to meet the Tacoma Public Utility
5 Board's goals of delivering affordable, reliable, and environmentally sensitive
6 services, the Board is developing policies concerning Government Processes,
7 Board-Director Linkage, and Strategic Directives, and
8

9 WHEREAS the Strategic Directives guide TPU's efforts to effectively and
10 efficiently address current and future challenges, mitigate risks, pursue strategic
11 opportunities, optimize services for TPU customers, and capture the
12 performance expectations of the Board, and
13

14 WHEREAS this resolution adopts Strategic Directive Fourteen on
15 Resource Planning; and

16 WHEREAS Tacoma Public Utilities' highest priority is providing safe and
17 reliable power, water, and rail services that meet or exceed customer needs
18 over the long term (20 to 60 years); and
19

20 WHEREAS the Values set forth in Strategic Directive Fourteen are:

- 21 1. TPU values the discipline of periodically examining customer long-
22 term utility service needs and the business and technology trends
23 within the respective utilities industries, identifying long-term
24 opportunities for the utility services, and developing shorter term
25 actions that prepare for predicted resource adequacy future(s);
26



2. TPU believes prudent long-term resource planning that considers anticipated customer needs and the impact of future uncertainty results in sustainable delivery of utility services, predictable budgets and reasonably stable rates;
3. TPU values responsible stewardship and recognizes that resource decisions have financial, environmental, and customer impacts for a generation or more, and that such decisions need to be based on thoughtful analyses of all the alternatives based on up-to-date data and information, including trends, risks, pros, cons, and the uncertainty of the future; and
4. TPU recognizes our customers should have access to its resource planning analyses, presented in a way that is understandable and affording customers and other stakeholders opportunities to provide input in the resource planning process; and

WHEREAS the Outcomes of this Strategic Directive include:

1. Long-term resource plans that fairly estimate customer trends and requirements and contemplate the universe of practicable alternative sources of power, water and rail services considering the likely progression of business and technology advancement;
2. Long-term resource plans that reflect changing legal and regulatory requirements that have direct or indirect influence on resource alternatives;



3. Long-term resource plans that are broad-based and unbiased,
derived from comprehensive "best practices" analyses that take into
account current utilities industry conditions and predicable trends in
addition to future uncertainties and risks;
4. Long-term resource plans that incorporate input from customers,
stakeholders and other relevant sources; and
5. Work product that is written in a way the general public can
comprehend while also providing transparency through technical
documentation for those interested in the details; and

WHEREAS these policies were developed at regularly-scheduled Board
study sessions and/or properly-noticed public meetings and all future Board
reviews and amendments will be handled similarly, and

WHEREAS the Board has committed to monitor and ensure compliance
with Board policies. This oversight provides an opportunity for the Board and
staff to clarify, revise and develop new policies when necessary as TPU
navigates changes in the utility industry, and

WHEREAS the Board and Director have determined that adopting Public
Utility Board Strategic Directive Fourteen on Resource Planning is in the best
interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,

///

///

///



BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

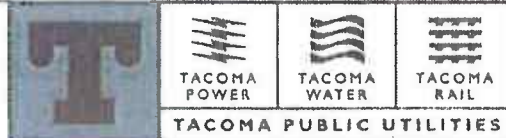
That Public Utility Board Strategic Directive Fourteen on Resource Planning, in the form as on file with the Clerk, is adopted and approved:

Approved as to form:

/s/

Chief Deputy City Attorney
Charleen Jacobs
Clerk

Chair
Christine L. Cooley
Secretary
Adopted 9-23-2020



PUBLIC UTILITY BOARD POLICY

Category: **Strategic Directive**

Date of Adoption: **September 23, 2020**

Resolution No.: **U-11198**

Revision Date:

Title: **Resource Planning**

Policy Number: **SD-14**

Purpose

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).

Values

1. TPU values the discipline of periodically examining customer long-term utility service needs and the business and technology trends within the respective utilities industries, identifying long-term opportunities for the utility services, and developing shorter term actions that prepare for predicted resource adequacy future(s).
2. TPU believes prudent long-term resource planning that considers anticipated customer needs and the impact of future uncertainty results in sustainable delivery of utility services, predictable budgets and reasonably stable rates.
3. TPU values responsible stewardship and recognizes that resource decisions have financial, environmental, and customer impacts for a generation or more. Such decisions need to be based on thoughtful analyses of all the alternatives based on up-to-date data and information, including trends, risks, pros, cons, and the uncertainty of the future.
4. TPU recognizes our customers should have access to its resource planning analyses, presented in a way that is understandable and affording customers and other stakeholders opportunities to provide input in the resource planning process.

Outcomes

1. Long-term resource plans that fairly estimate customer trends and requirements and contemplate the universe of practicable alternative sources of power, water and rail services considering the likely progression of business and technology advancement.

2. Long-term resource plans that reflect changing legal and regulatory requirements that have direct or indirect influence on resource alternatives.
3. Long-term resource plans that are broad based and unbiased, derived from comprehensive "best practices" analyses that take into account current utilities, industry conditions and predictable trends in addition to future uncertainties and risks.
4. Long-term resource plans that incorporate input from customers, stakeholders and other relevant sources.
5. Work product that is written in a way the general public can comprehend while also providing transparency through technical documentation for those interested in the details.

Measurements

1. All operating divisions: Progress toward action items identified in long range plans.

Reporting

1. Integrated resource plans for power every two years and every six years for Water.
2. Comprehensive rail service "futures" plan every two years. The first document will be developed as a component of Rail's strategic planning process, which will begin in Q4 2020.
3. Annual report of anticipated changes in integrated resource planning, issues and opportunities.