



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

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

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

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

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

19 Therefore,

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

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

Chair

/s/

Chief Deputy City Attorney

Secretary

Clerk

Adopted _____



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 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 7 – Reliability and Resilience

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-11168</p>	<p>Title: Reliability and Resiliency</p> <p>Policy Number: SD-7</p> <p>Revision Date:</p>
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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.