



RESOLUTION NO. U-11540

1 A RESOLUTION related to the Public Utility Board, eliminating Public Utility
2 Board Guiding Principle 8 on Telecom.

3 WHEREAS Guiding Principle 8 (Telecom) was approved by the Public
4 Utility Board on June 24, 2020, via Resolution No. U-11169, and

5 WHEREAS TPU leases portion of its hybrid fiber coaxial that are in
6 excess of operational needs to maximize return on investment and continued
7 public ownership of the network by granting an Indefeasible Right to Use
8 ("IRU") the network's capacity not required for power system needs, and

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10 WHEREAS the policy priorities established by the Public Utility Board in
11 Guiding Principle 8 and the City Council are reflected in the IRU and are no
12 longer necessary as a separate Guiding Principle, and

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14 WHEREAS of note, the Board on September 27, 2023, via Resolution
15 U-11408 entered into a transfer and consent agreement with Rainier Connect
16 North, LLC, Mashell, Inc., and Alphaboost Purchaser LLC that consented to the
17 change of control regarding the IRU dated March 31, 2020, and

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19 WHEREAS with that IRU in place, the partnership has moved to contract
20 management with annual reporting on how original policy goals are met, and

21 WHEREAS this resolution would eliminate Guiding Principal 8 on
22 Telecom with the expectation that the Director will provide a written report on
23 the agreement annually, and

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25 WHEREAS the Board and Director have determined that Public Utility
26 Board Guiding Principle 8 on Telecom is no longer necessary and eliminating



the same 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 Guiding Principle 8 on Telecom, in the form as on file with the Clerk and as previously approved by the Public Utility Board, is eliminated as of July 9, 2025.

Approved as to form:

Chair

/s/
Chief Deputy City Attorney

Secretary

Clerk

Adopted _____



Board Action Memorandum

TO: Public Utility Board
COPY: Jackie Flowers, Director of Utilities
MEETING DATE: July 9, 2025
DATE: June 26, 2025

GUIDING PRINCIPLE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Guiding Principle(s) is supported by this action.

- | | |
|--|--|
| <input type="checkbox"/> GP1 – Diversity, Equity, Inclusion, Belonging | <input checked="" type="checkbox"/> GP8 – Telecom |
| <input type="checkbox"/> GP2 – Financial Sustainability | <input type="checkbox"/> GP9 – Economic Development |
| <input type="checkbox"/> GP3 – Rates | <input type="checkbox"/> GP10 – Government Relations |
| <input type="checkbox"/> GP4 – Stakeholder Engagement | <input type="checkbox"/> GP12 – Employee Relations |
| <input type="checkbox"/> GP5 – Environmental Sustainability | <input type="checkbox"/> GP13 – Customer Service |
| <input type="checkbox"/> GP6 – Innovation | <input type="checkbox"/> GP14 – Resource Planning |
| <input type="checkbox"/> GP7 – Reliability & Resiliency | |

SUMMARY: A resolution to sunset Public Utility Board Guiding Principle 8 on Telecom.

BACKGROUND: Guiding Principle 8 (Telecom) was approved by the Public Utility Board on June 24, 2020 via Resolution U-11169. TPU leases portions of its hybrid fiber coaxial (HFC) that are in excess of operational needs to maximize return on investment and continued public ownership of the network by granting an Indefeasible Right to Use (IRU) the network's capacity not required for power system needs. The policy priorities established by the Public Utility Board and City Council are reflected in the IRU.

Of note, the Board on September 27, 2023 via Resolution U-11408 entered into a transfer and consent agreement with Rainier Connect North, LLC, Mashell, Inc., and Alphaboost Purchaser LLC that consented to the change of control regarding the IRU dated March 31, 2020.

With the IRU in place, the partnership has moved to contract management with annual reporting on how original policy goals are being met. This resolution would sunset Guiding Principle 8 on Telecom with the expectation that the Director will provide a written report on the agreement annually.

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

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED. 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: Resolution U-11169

CONTACT:

Primary Contact: Jackie Flowers, Director of Utilities



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

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

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

Approved as to form:

Chair

/s/

Chief Deputy City Attorney

Secretary

Adopted

Clerk



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

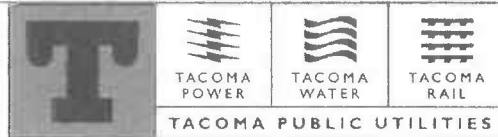
The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.

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".