



# Special Meeting Charter Review Public Utilities Subcommittee Agenda

Tacoma Municipal Building, 747 Market Street, Room 148

[www.cityoftacoma.org/charterreview](http://www.cityoftacoma.org/charterreview)

April 2, 2014 – 4:00 p.m.

1. Call to Order
2. Roll Call
3. Organization
  - a. Separate Legal Counsel/Special
  - b. PUD Option
  - c. Merge TPU & General Government
  - d. General Government Utilities to TPU
  - e. Keep Current Structure
4. Council Authority
  - a. City Council Approval of Superintendents/Department heads
  - b. City Council Approval of TPU Director
  - c. City Council Budget Input and Veto
5. Accountability
  - a. Outside Auditing
  - b. Performance/Fiscal Audit
  - c. Performance Review
  - d. Charter Vs. Employment Agreement of Director
  - e. Financial Statement – F1
6. Public Comment
7. Committee Comments
8. Adjournment



## AMENDMENT

### **CURRENT CHARTER LANGUAGE:**

**Section 4.10 – The Public Utility Board, subject only to the limitations imposed by this charter and the laws of this state, shall have full power to construct, condemn and purchase, acquire, add to, maintain, and operate the electric, water, and belt line railway utility systems.**

### **RECOMMENDED LANGUAGE:**

**Section 4.10 – The Public Utility Board, subject only to the limitations imposed by this charter and the laws of this state, shall have full power to construct, condemn and purchase, acquire, add to, maintain, and operate the electric, water, surface water, waste water, solid waste and belt line railway, ~~solid waste~~, utility systems. The Board shall be re-named the Environmental Services and Utilities Board, and the department it oversees shall be re-named the Environmental Services and Utilities Department, unless the City Council, by ordinance, determines a different phrasing.**

**RATIONALE FOR CHANGE:** Currently three utilities - electric, water and belt line railway - are in a department called Tacoma Public Utilities, and three others - surface water, waste water and solid waste - are in a department known as Environmental Services. This change combines all six utilities in one department, re-named Environmental Services and Utilities.

Our rationale has four dimensions.

First, we see immediate and potential synergies including coordination of surface and underground repair and replacement, integrated billing, shared rolling stock and cross-training for skilled personnel.

Second, grouping all utilities will simplify and clarify government services for the public.

These two benefits drive the combination of services, but don't suggest where the combined services should reside: in General Government, or under the guidance of the Utility Board.

We believe the disruption and switching costs are significantly reduced moving Environmental Services into TPU rather than the reverse. Among these switching costs are possible changes in bond ratings, negotiations with bond holders, with state regulatory agencies and with public and private power suppliers including Bonneville Power Administration, and possible re-negotiation of agreements with non-Tacoma customers. This is the third dimension of our rationale.

Finally, by changing the name of the new department, we intend to signal the on-going importance of environmental considerations and achievements in all Tacoma's operations.

**AMENDMENT XX**

**CURRENT CHARTER LANGUAGE:**

**Section 4.18** – The Board shall appoint a Director of Utilities who shall:

- (a) Be selected on the basis of his executive and administrative qualifications;
- (b) Be appointed for an indefinite period and subject to removal by the Board;
- (c) Serve as the chief executive officer of the Department of Public Utilities, responsible directly to the Board.

**RECOMMENDED LANGUAGE:**

**Section 4.18** – The Board shall appoint with confirmation by the council a Director of Utilities who shall:

- (a) Be selected on the basis of his executive and administrative qualifications;
- (b) Be appointed though an employment contract as set forth by the Board and consistatne with the city of Tacoma employment scale an indefinite period and subject to removal by the Board;
- (c) Serve as the chief executive officer of the Department of Public Utilities, responsible directly to the Board.

**RATIONALE FOR CHANGE:**

The TPU Board is an unelected board with the power to appoint an employee to oversee a multi-million dollar public agency. Allowing the Council the ability to confirm this appointment will allow for more accountability on the TPU Board, TPU and for the citizens of Tacoma. The ultimate liability falls on the Citizens of this city through the elected body of our Government, not TPU. Because of that this small, pragmatic change is needed.

**Against:**