

Tacoma Public Utilities

The City of Tacoma's Department of Public Utilities, known as Tacoma Public Utilities (TPU) is governed by a five-member Public Utility Board (Board) appointed by the Mayor and City Council and serve five-year terms.

TPU consists of three utilities Tacoma Power, Tacoma Water, and Tacoma Rail. The Board appoints the Director of Utilities (Director) who is the chief executive of TPU and serves at the pleasure of the Board, subject to reconfirmation by the Board and City Council every two years. The Director, with the concurrence of the Board, appoints Division Superintendents who manage Tacoma Power, Tacoma Water and Tacoma Rail. In addition to hiring and firing the Director, the Board initiates and executes system expansion, bond issues and sets budgets and rates with the subsequent approval of City Council. TPU's rates are not regulated by the Washington Utilities and Transportation Commission or the Federal Energy Regulatory Commission (FERC).

TPU generates over \$542 million and employs nearly 1,400, of which about 78% are represented by organized labor.

Additional information about TPU is available at:

<https://www.mytpu.org/>

https://www.mytpu.org/file_viewer.aspx?id=59027

https://www.mytpu.org/file_viewer.aspx?id=59131

https://www.mytpu.org/file_viewer.aspx?id=59239

Tacoma Power was formed in 1893 when the City purchased the electric and water properties of the former Tacoma Water and Light Company. Since then, Tacoma Power has grown to one of the largest publicly-owned utilities in the Pacific Northwest serving nearly 176,000 customers, employing about 831 personnel, the majority of which are represented by the International Brotherhood of Electrical Workers (IBEW). TPU generates annual revenues of nearly \$420 million, about 77% of TPU's total revenues.

Tacoma Power's service territory consists of approximately 180-square-miles including the entire 43-square-miles comprising the City of Tacoma along with portions of the Tacoma metropolitan area through sales to McChord Air Force Base, Fort Lewis Army Post, the Town of Ruston. Of TPU's nearly 176,000 electric customers, over 157,000 are residential customer of which 53% fall within the city limits of Tacoma and 47% reside outside the city. Commercial and Industrial customers total over 18,000. No

single customer represents more than 10% of TPU's load. TPU is bordered by Puget Sound Energy, two municipal utilities and several cooperatives.

Rates for electrical service are set to include a 3.873% gross revenue tax to the State of Washington and 7.5% gross revenue tax to the City of Tacoma. Tacoma Power's rates are among the lowest of the major providers in the Puget Sound area.

In 2000, Tacoma Power launched a green-power program. In 2002, Washington State began requiring all utilities to offer green power pricing; Tacoma Power's program complies with this requirement.

Washington State implemented a Renewable Portfolio Standard (RPS) requiring 15% renewables in the power portfolio by 2020. Tacoma Power has complied with this requirement primarily by purchasing Renewable Energy Credits (REC's).

Tacoma Power's trading activities include purchasing power to meet native loads, optimizing the value of the power supply portfolio, and selling and hedging surplus energy.

Tacoma Power and Tacoma Water together have recently initiated a multi-year project to implement an Automated Metering (AMI) system.

Tacoma Power's financial policy is to fund major projects primarily with borrowed funds. Historically, it has funded at least 50% of its normal capital requirements from net operating revenues with the balance from contributions and debt. Moody's, Standard & Poor's and Fitch have rated Tacoma Power Aa3, AA, AA- respectively.

Tacoma Power is organized into six business units.

Generation operates and maintains four hydroelectric generating projects and the associated recreational facilities, fish hatcheries and other project lands.

Power Management plans for and manages the power supply portfolio, conducts integrated resource planning, markets bulk and ancillary power supply services, schedules and dispatches Tacoma Power-owned generation and contract power supplies, and performs power trading.

Transmission and Distribution plans, constructs, operates and maintains the 2,014 miles of overhead and underground distribution; 351 miles of 110 and 230 kV transmission; substations; the underground network; system control and data acquisition systems (SCADA); and revenue metering facilities.

Click! Network plans, constructs, operates and maintains the hybrid fiber-coaxial telecommunications network that supports the operation of Tacoma Power's electrical transmission and distribution systems, provides retail cable TV and wholesale high-speed Internet services to residential and business customers and data transport services to business customers. Click! Network has 1,427 miles fiber and coaxial cable. It serves over 17,000 cable television and over 23,000 internet customers. Click! Network provides a variety of commercial telecommunications services within Tacoma, University Place, Fircrest and Lakewood. Click is under litigation over cross cost issues.

Utility Technology Services manages information technology (IT) and operational technology (OT) projects and systems across all of TPU.

Rates, Planning and Analysis conducts financial and ratemaking analyses, initiates and manages bond financings, oversees the energy risk management function, etc.

TPU owns and operates four hydroelectric generating plants produce about 38% of the system's energy requirements. The plants are:

Cowlitz River Project is the largest hydroelectric facility consisting of two dams and six turbine-generators with a total capacity of 462 MW. Cowlitz's original license was issued in 1951 and a new 35-year license was issued in 2003.

Cushman Hydroelectric Project is a two-dam, five-unit project with a generating capacity of 117 MW. The project's license was issued in 1924. It has a new 40-year license.

Nisqually River Project is a two-dam, seven-unit project with a generating capacity of 95 MW. The original license was issued in 1944 and a new 40-year license was issued in 1997.

Wynoochee River Project is a one-dam, one-unit project with a generating capacity of 12.8 MW. It was constructed in 1993.

Other resources include a take-or-pay contract for a small portion of the production of the Priest Rapids Hydroelectric Project operated by the Grant County Public Utility District, and five power purchase agreements for 50% of the 130 MW Grand Coulee Hydroelectric Project, and a long-term contract with BPA of Federal hydropower.

Tacoma Water provides water service to residences, businesses and industries located in the cities of Tacoma, University Place and Ruston; in portions of the cities of Puyallup and Federal Way; and, in portions of Pierce and southern King county. Tacoma Water also provides wholesale water supplies to independent water systems operating in Pierce and King counties and provides management services to the Tacoma Narrows Airport located on the Gig Harbor Peninsula. Tacoma Water is a participant in, and operator of, the Second Supply Project: a new regional water partnership between Tacoma Water, the Lakehaven Utility District, the City of Kent and the Covington Water District.

To provide retail water service to approximately nearly 100,000 connections of which nearly 94,000 are residential and over 6,000 are commercial and industrial Tacoma Water designs, operates, maintains and constructs the 1,376-mile gravity-based water delivery system. About 62% of Tacoma Water customers reside within the City of Tacoma; 38% reside outside the city.

Tacoma Water generates annual revenues of about \$ 93 million, about 17% of TPU's total revenues. Tacoma water employs 246.

Tacoma Water is organized into five business units.

Water Distribution Engineering
Water Distribution Operations
Water Quality
Water Supply
Water Asset and Information Management

Tacoma Water's sources of supply include a primary surface water system based on diversions from the Green River in King County, Washington, and a groundwater system that includes a number of wells in the South Tacoma Aquifer. The Green River system includes a Second Supply Project that includes as partners three neighboring water utilities.

Tacoma Rail is one of the busiest short line railroads in the country with 140 miles of track. Tacoma Rail generates annual revenues of nearly \$31 million and employs 113. Some of the Tacoma's largest industries rely on Tacoma Rail. One customer, the Port of Tacoma, is one of the largest container ports in North America.

Ideal Director Candidate Skills and Experience

A Bachelor's degree in business, engineering or other applicable disciplines. A Masters' degree in Public or Business Administration degree and advanced management training are highly desired.

The most desirable candidates will have experience that includes diverse and progressively responsible assignments culminating in executive leadership of a vertically integrated combination electric and water utility with hydroelectric generation facilities and telecommunication assets. Knowledge of rail service would be an added benefit

Technical expertise in power and water is not required, but demonstrated success with power and water, especially, power, at the strategic and tactical level is necessary to protect TPU's widely recognized operational and financial success.

Individuals with this experience must have demonstrated success collaborating with organized labor. Someone who is "tough, but fair" with labor would more likely find compromises between the conflicting interests of labor and management. Specific past performance where represented jobs are not migrated to unrepresented jobs should have labor's support.

A proven track record leading power and water utilities in adding renewable energy projects, undergrounding overhead facilities, implementing energy efficiency measures, electric vehicles, and assisting low-income customers while minimizing the impact on existing rates is important to address existing concerns, but also to ensure the next Director's approach to future issues, demonstrates a commitment to working with elected officials and the public on future issues as they arise.

A proven track record of interacting with the public and community beyond large C&I customers is essential. Candidates should have demonstrated successful interaction with all members of the community.

The Director must have excellent oral and written communication skills, and be able to articulate contemporary industry issues to industry experts, legislators, regulators, and lay individuals. He or she must have the executive presence to comfortably represent TPU before regulators and legislators, and the charisma to provide leadership to TPU, its customers, Board, City Council, City Management, staff, and the community.

Candidates must be consensus builders, mentors, coaches and team players. Proven success in building credibility within the City along with legislators, regulators, customers, and the public is essential.

Residency within the City of Tacoma is required.

Tacoma, Washington

Tacoma is a mid-sized urban port city of nearly 210,000. As the third largest city in the state of Washington, Tacoma is a diverse, progressive, international city that serves as a gateway to the Puget Sound, Pacific Rim and the rest of the world.

Tacoma is home to a vibrant, creative community of emerging writers, artists and musicians, photographers, filmmakers, culinarians, entrepreneurs and small business owners, each adding their own unique flair to the city's flourishing commercial landscape. Tacoma is also home to the iconic Tacoma Dome, the largest indoor venue in Washington State, drawing some of the largest names in the entertainment industry and audiences across the Pacific Northwest region.

The City continues to attract families and individuals seeking distinct neighborhoods with charm, character and big city amenities. Downtown Tacoma, specifically, has become a magnet for those seeking urban lifestyles without compromise, with competitively priced, well-appointed condominiums and apartments set against a picturesque backdrop of Mt. Rainier and the Puget Sound.

Tacoma's natural beauty and proximity to Mt. Rainier and the Puget Sound draws hikers, runners, bicyclists and maritime enthusiasts to the area. The lively social scene in Tacoma is further invigorated by the thousands of students attending the University of Washington Tacoma, the University of Puget Sound, the Evergreen State College Tacoma campus, Tacoma Community College, as well as a number of local trade and technical colleges.

Tacoma's prime location in the region—just 20 minutes south of the Seattle-Tacoma International Airport, 30 minutes north of the state capital in Olympia, and 20 minutes from Joint Base Lewis-McChord, the Department of Defense's premiere military installation on the West Coast - only adds to Tacoma's desirability.

Cost of living in Tacoma is 111.5% of the national average. In 2016, the mean of all housing units was \$274,000; townhouse was \$335,000.

More can be found at: <http://www.city-data.com/city/Tacoma-Washington.html>

Recruitment Schedule

Resumes collected and candidates interviewed by March 23, 2018

Resumes presented to the Board March 28, 2018

Semi-finalist candidates are selected for Board interviews by April 2, 2018.

Semi-finalists interviewed by the Board in a TBD week in April 2018.

Finalists public process selection in a TBD week in May, 2018.

Finalist selected by June, 2018.

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*Tacoma Public Utilities is an Equal Opportunity/ Affirmative Action Employer.
Minorities, Females and Disabled Persons are encouraged to apply.*