



APPROVED 12-4-19

MINUTES  
City of Tacoma  
Public Utility Board Meeting  
November 13, 2019  
6:30 p.m.

Chair Larkin called the Public Utility Board meeting to order at 6:30 p.m. in the auditorium at Tacoma Public Utilities.

**Present:** Bryan Flint, Christine Cooley, Carlos Watson, Karen Larkin, Mark Patterson

The meeting was quorate.

**Minutes of the Previous Meetings**

Mr. Flint moved that the minutes of the previous meetings be adopted; seconded by Mr. Patterson. Voice vote was taken and carried. The minutes were declared adopted.

**Recognitions**

Mike Snider, T&D Arborist presented the Board with the TreeLine USA award. The Arbor Day Foundation's standard are: quality tree care; annual worker training; tree planting and public education; tree-based energy conservation program; and having an Arbor Day celebration. This is the 15<sup>th</sup> year that Tacoma Power has received the award. Board Members made positive remarks about the award.

Rebekah Anderson, Community and Media Services Manager, presented the Board with Excellence in Public Power Communications Award from the American Public Power Association. The award is for social and website content specific to TPU's rate communications campaign. Staff summarized the outreach efforts during last year's budget preparation. Board Members made positive remarks about the award.

**Public comment**

There were no comments by the public.

**Consent Agenda**

There were no items on the consent agenda.

**Regular Agenda**

- D-1 Resolution U-11117 – Award contracts and approve purchases:
1. Increase citywide contract with Wells Fargo Bank for banking and merchant services (\$620,000, plus applicable taxes. Cumulative total \$1,500,000, plus applicable taxes) [Michael San Soucie, Treasury Manager];

2. Increase the legal services agreement contract with Best Best & Krieger LLP for services related to Click! Network (\$100,000, plus applicable taxes. Cumulative total \$300,000, plus applicable taxes) [Martha Lantz, Deputy City Attorney];
3. Award contract to Loomacres, Inc., for bird hazing at the Cowlitz Trout Hatchery (\$151,960, plus applicable taxes for an initial contract term of one year with two one-year extensions for a projected contract total of \$469,693.16) [Eric Shoblom, Natural Resources Specialist];
4. Increase contract to McFarland Cascade Holdings, Inc., for the purchase of treated wood poles on an as needed basis (\$525,000, plus applicable taxes. Cumulative total \$1,592,830.06, plus applicable taxes [Joe Parris, T&D Contract Program Manager];
5. Award contract to Owen Equipment for the purchase of one new Vactor model HXX truck body (\$363,016, plus applicable taxes) [Don Ashmore, Fleet Manager];
6. Increase contract with Hart Crowser, Inc., for the investigation and characterization of the discovered oil seep in the Kosmos Flats area and to provide cleanup alternatives (\$100,000, plus applicable taxes. Cumulative total \$289,000, plus applicable taxes) [Jessica Knickerbocker, Engineering Manager];
7. Increase contract to BOARD Americas, Inc., for a subscription based software as a service tool for budgeting (\$164,395; Cumulative total \$364,395) [Travis Metcalfe, Assistant Power Section Manager];
8. Award contracts to Cascade Columbia Distribution Co., Northstar Chemical, JCI Jones Chemicals, Inc., Hasa, Inc., Chemtrade Chemicals US LLC, and Kemira Water Solutions, Inc., for the supply of water treatment chemicals for the contract term of the 2020 calendar year (\$229,500, sales tax not applicable; \$590,000, sales tax not applicable; \$228,000, sales tax not applicable; \$40,375, sales tax not applicable; \$224,400, plus applicable sales tax; and \$112,860, plus applicable sales tax, respectively. Cumulative total for the six contracts \$1,425,135, plus applicable taxes) [Kim DeFolo, Principal Engineer];
9. Award contract to Praxair, Inc., for carbon dioxide supply and technical services (\$92,500, plus applicable taxes for a one-year term with option to renew for four additional one-year periods for an estimated projected amount of \$462,500, plus applicable taxes) [Kim DeFolo, Principal Engineer];
10. Award contract to RH2 Engineering, Inc., for engineering design services for the Bonney Lake 950 Zone Tank/1010 Zone Pump Station (\$663,200, plus applicable taxes) [Jen Otis, Professional Engineer];
11. Award contract with Coast Rail, Inc., for rehabilitation of approximately 2,400 lineal feet of railroad track, including one private grade crossing (\$590,948.75, plus applicable taxes) [Kyle Kellem, Roadmaster].

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

In response to a Board request for more information on item number two, Tom Morrill, Chief Deputy City Attorney, stated that the increase includes items the outside attorney has been helping with, primarily related to Click! contracts and negotiations. The attorney will also assist in litigation matters.

In response to a Board inquiry on item number four regarding the increase in pole replacements, Joe Parris, T&D Contract Program Manager, explained that past pole replacement projections were 45 to 50 poles per month. Currently, the projection is 75 to 80 poles per month. The pole inspectors have inspected more poles and that has increased the replacements needed. In response to a Board request for clarification

about the contract length, Mr. Parris confirmed that the additional funding requested will carry the contract through June 2020.

In response to a Board inquiry on item number three requesting a definition of bird hazing, Eric Shoblom, Cowlitz Fish Facilities Manager, provided a description. Bird hazing is a method to scare birds off ponds using pyrotechnics to keep them from eating fish. This reduces predation. The birds are not harmed and there are no noise complaints from the neighbors. The birds are migratory, primarily cormorants and blue herrings so this is done approximately 7 months out of the year. Air quality issues due to the pyrotechnics have not been investigated.

Voice vote was taken and carried. The resolution was declared adopted.

D-2 Resolution U-11118 – Authorize the renewal of the waiver of power and water utility connection and inspection fees for cities in Tacoma Power and Tacoma Water service territories during the declared state of emergency related to the conditions of homeless encampments.

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

Tom Morrill, Chief Deputy City Attorney, summarized the resolution. This resolution would authorize renewal of the waiver of power and water utility connection and inspection fees for cities that are providing facilities for sheltering low-income and/or infirm persons and are within Tacoma Power/Water's service territories to a date aligning with the period covered by the emergency declaration to be established by the City Council. As background, in 2017 the Board and Council passed resolutions and ordinances to amend Title 12 of the TMC to allow for these waivers. The emergency declaration and the waiver of power and water utility connection and inspection fees contained in chapter 12.01 of the TMC were subsequently extended by the City Council to expire on December 31, 2019. Further extension of the emergency declaration beyond December 31, 2019 by the Council is anticipated, and the Board is being asked to extend its approval of an extension of the waiver of power and water utility connection and inspection fees for cities providing facilities for sheltering low-income and/or infirm persons within Tacoma Power/Water's service territories. The time for the waiver will correspond to the period beyond December 31, 2019 that is covered by the declared state of emergency as established by the City Council.

Voice vote was taken and carried. The resolution was adopted.

D-3 Resolution U-11119 – Authorize execution of a Collective Bargaining Agreement and Memorandum of Understanding negotiated between the City of Tacoma and the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists & Aerospace Workers, Local 160, Yard Clerk Unit. [Dylan Carlson, Labor Negotiator].

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

Dylan Carlson, Labor Negotiator, summarized the resolution. This agreement covers four years and provides for a wage increase in each year of the agreement. Effective January 1, 2010, the hourly rate for Railway Yard Clerk will be set to \$38.65; effective January 1, 2021, the rate will increase to \$39.50; effective January 1, 2022, the rate will

increase to \$40.00, effective January 1, 2023, the rate will increase to \$40.50. Other significant changes in the agreement include the City withdrawing the unit for the Western Metal Industry Pension Fund, and assuming withdrawal liabilities in accordance with plan procedures and applicable law; that employees hired on or after January 1, 2020 or after ratification of the agreement, whichever is later, will not be eligible to participate in the longevity program; and new employees hired after the second pay period in January 2020, will only be eligible for reimbursement for required footwear up to \$200, in lieu of the annual boot allowance. This agreement will be considered by City Council on December 3, 2019.

Voice vote was taken and carried. The resolution was declared adopted.

D-4 Resolution U-11120 – Authorize execution of a Collective Bargaining Agreement negotiated between the City of Tacoma and District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists & Aerospace Workers, Local 160, General Unit. [Dylan Carlson, Labor Negotiator].

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

Dylan Carlson, Labor Negotiator, summarized the resolution. The agreement covers four years and provides for a wage increase in each year of the agreement. Effective January 1 of each year of the agreement, 2020-2023, the base wage rates will increase by two percent. Other significant changes in the agreement include: withdrawal of the unit from the Western Metal Industrial Pension Fund with the employer assuming withdrawal liabilities in accordance with plan procedures and applicable law; employees hired January 1, 2020 or later will not be eligible to participate in the longevity program; unused comp time will be paid out at the end of the year it was earned; employees hired on or after January 1, 2020 will be required to enroll in the PTO plan in lieu of vacation and sick plans; and adding welder to the classifications that will receive a five percent application of rate to act in a lead capacity. This agreement will be considered by City Council on December 3, 2019.

Voice vote was taken and carried. The resolution was declared adopted.

D-5 Resolution U-11121 – Authorize execution of a Collective Bargaining Agreement negotiated between the City of Tacoma and the Teamsters Local Union No 117, General Unit. [Dylan Carlson, Labor Negotiator].

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

Dylan Carlson, Labor Negotiator, summarized the resolution. The agreement covers four years and provides for a wage increase in each year of the agreement. Retroactive to January 1, 2019, employees will receive a general wage increase of three percent. Effective January 1, 2020, all base wages will increase by three percent; effective January 1, 2021, wages will increase by 2.5 percent; and effective January 1, 2022, wages will increase by 2.24 percent. This agreement will be considered by City Council on December 3, 2019.

Voice vote was taken and carried. The resolution was declared adopted.

D-6 Resolution U-11122 – Authorize execution of a Collective Bargaining Agreement and two Letters of Agreement negotiated between the City of Tacoma and the Professional & Technical Employees, Local 17. [Dylan Carlson, Labor Negotiator].

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

Dylan Carlson, Labor Negotiator, summarized the resolution. The collective bargaining agreement covers four years and provides for a wage increase in each year of the agreement. Retroactive to January 1, 2019, wage adjustments will be provided for 16 classification due to market compression and other parity issues. Effective January 1, 2020, wages will increase by three percent; effective January 1, 2021, wages will increase by 2.5 percent; and effective January 1, 2022, wages will increase by 2.25 percent. Other changes include: retitling the classification of Utility Services Representative I to Utility Services Representative; Retitling the classification of Utility Services Representative II to Utility Services Supervisor, aligning the base wages for the Engineering Construction Coordinator with those of the Associate Construction Manager classification. This agreement will be considered by City Council on December 3, 2019.

Voice vote was taken and carried. The resolution was declared adopted.

D-7 Motion 19-08 – Approve settlement claim in the case of U.S. Oil versus Tacoma Power, Pierce County Cause No. 18-2-07232-3 in the amount of \$2,850,000. [Joe Sloan, Deputy City Attorney].

Mr. Flint moved to approve the motion; seconded by Mr. Patterson.

Tom Morrill, Chief Deputy City Attorney, summarized the motion. Pursuant to TMC 1.06.229, Tacoma Power is seeking Board approval for the payment of \$2,850,000 in the settlement of this claim. The payment includes Tacoma Power's \$200,000 self-insured retained limit of liability under its first layer of excess liability coverage. This request is based upon a finding of liability by Tacoma Power's internal investigation of a power outage on April 2, 2016 and the tentative settlement concluded by parties and their respective liability insurance carriers.

In response to a Board request for confirmation, Mr. Morrill confirmed that Tacoma Power's insurance will pay all but \$200,000 of the settlement.

Voice vote was taken and carried. The motion was approved.

## **H. Reports of the Director**

Director Flowers summarized the study session presentation by NuScale and the Utah Associated Municipal Power Systems on carbon-free power project featuring NuScale small modular reactor technology.

Jim Sant, Deputy Director for Administration, summarized the legislative policies and legislative agenda study session presentation.

Joe Wilson, T&D Manager, summarized the quarterly energy risk management and power supply update from the day's study session.

Director Flowers called on Jim Sant, Deputy Director for Administration, to provide a report on the third quarter 2019 budget performance reports for Power, Water, and Rail. Mr. Sant presented the key budget information, covering revenues and expenditures, for each of the operating divisions.

Jonathan Schlaudraff, Management Analyst, provided the Board with the annual lead gooseneck replacement update from Tacoma Water. The project objectives are to; replace all lead goosenecks within five years, complete work in a geographically equitable manner, provide relevant regular communication, tactically coordinate and plan service replacements, and minimize disruptions to staffing levels and planned work. Mr. Schlaudraff shared maps illustrating the progress of the replacements. In the entire Water system, 1,215 meters were identified as possibly having goosenecks and of those 981 have been resolved. The project is 81 percent complete. In response to a Board request for clarification, Mr. Schlaudraff stated that all identified had a lead gooseneck. A lot of the records from the 1930s weren't good, so Tacoma Water staff checked them to confirm. Only thirty percent of the 1,215 identified actually had a lead gooseneck. If staff came upon a non-lead connection, but found it needed replacement due to corrosion, it was replaced. Board Member Watson thanked staff for their hard work and expressed the desire to go on a ride-along to observe a replacement. In response to a Board request for more information about in-home test kits and customer-side lead fixtures, Mr. Schlaudraff stated that customers can request a free lead test kit from Tacoma Water. Tacoma Water has not had a sample come back above what is allowed by regulators. If a customer is concerned about lead plumbing in their own home, staff is happy to review options with them.

Steve Bicker, Assistant Power Section Manager, provided an update on Tacoma Power's Customer Energy Programs. Tacoma Power's plans its portfolio using three guiding principles: programs must be cost effective; must benefit customers; and must be equitable. Changes for 2020/2021 energy program offers were detailed: simplifying programs and shifting focus for residential; innovative programs for low-income; incentive changes and small business focus for commercial; and new programs under development for the future. Board Members made positive remarks, especially about addressing multi-family and single-family rental properties, which has been a historically underserved sector.

#### **I. Comments by the Board**

Chair Larkin wished all a very Happy Thanksgiving.

#### **J. Adjournment**

There being no further business or comments, the Public Utility Board was adjourned at 7:47 p.m. until Wednesday, December 4, 2019 for a study session is at 3:00 p.m. at Tacoma Public Utilities, followed by the regular meeting at 6:30 p.m. at Tacoma Public Utilities.

Approved:

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Karen Larkin, Chair

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Mark Patterson, Secretary