



DRAFT

MINUTES
City of Tacoma
Public Utility Special Board Meeting
December 9, 2020
3:00 p.m.

Chair Flint called the Public Utility Board meeting to order at 3:00 p.m.

Present via Zoom: Bryan Flint, Christine Cooley, Mark Patterson, Carlos Watson, Joe Bushnell

The meeting was quorate.

Minutes of the Previous Meetings

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

Recognition

Joe Tellez, CTO, informed the Board that TPU has received the Best Utility Analytics Leader Award from the Utility Analytics institute. Mr. Tellez commented that this award reflects TPU's progress in data analytics and data-driven decision making. TPU is the only public utility of the three finalists named. Board Members made positive remarks about this achievement.

Comments by the Public

Board Member Patterson moved to suspend the rules of Public Utility Board Government Process Eight (GP8) to allow all public comment for all topics, whether on or off the agenda, at one time; seconded by Board Member Cooley. Voice vote was taken and carried.

No public comments were heard; two written comments were received from Kit Burns and provided to the Board in advance of the meeting.

Regular Agenda

- D-1 Resolution U-11224– Award contracts and approve purchases:
 - 1. Award three-year contract to Electrical Research & Manufacturing Cooperative for the purchase of 15kV single-phase, pole-mounted transformers on an as-needed basis (\$1,335,928, plus applicable taxes. Option to renew for two, one-year

- periods for a projected contract amount of \$2,267,025.29 [Joe Parris, T&D Contract Program Manager];
2. Increase contract to eSource Companies, LLC (formerly Excerpt Corporation) for customer engagement portal consulting services (\$243,333, plus applicable taxes. Cumulative contract total \$962,014, plus applicable taxes) [Andre Pedferri, Advanced Metering Program Manager];
 3. Award contract to HDR Engineering, Inc., for owner's engineer services to support the Cushman 2 Unit 31 and 32 rebuild project (\$867,860, plus applicable taxes) [David Wagner, Generation Project Manager].

Mr. Patterson moved to adopt the resolution; seconded by Ms. Cooley.

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

- D-2 Resolution U-11225 – Resolution U-11225 – Authorize execution of a collective bargaining agreement as negotiated with the Tacoma, Washington, City and Pierce County Employees, Local 120 of the Washington State Council of County and City Employees, AFSCME, AFL-CIO effective January 1, 2021 through December 31, 2022.

Mr. Patterson moved to adopt the resolution; seconded by Ms. Cooley.

Dylan Carlson, Senior Labor Relations Manager, summarized the resolution. This agreement is for two years, and provides for a one percent wage increases effective January 1, 2021 and 2022 and on July 1, 2022, employees will receive an increase of one percent. This item is scheduled for consideration by the City Council on December 8, 2020.

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

- D-3 Resolution U-11226 – Authorize execution of a master interagency agreement for Tacoma Power and the Washington Department of Fish and Wildlife (WDFW) in support of fish hatchery activities at hydroelectric projects.

Mr. Patterson moved to adopt the resolution; seconded by Ms. Cooley.

Eric Shoblom, Cowlitz Fish Facilities Manager, summarized the resolution. Tacoma Power requests the authorization of a master interagency agreement for activities such as the hatchery operations at Cushman and Cowlitz Hydroelectric Projects, and the Skagit and George Adams hatcheries, as well Cushman and Cowlitz River monitoring and evaluation, which includes Tacoma Cowlitz Falls Fish Facilities, kokanee plants into Alder Lake and other trout stocking activities, conducted under contract by the WDFW, totaling \$9.9 million, from January 2021 through June 2022. This funding will fulfill Federal Energy Regulatory Commission (FERC) license requirements to operate and evaluate the hatcheries, to monitor the salmonid recovery plan in the Cowlitz River, and other activities at the Cushman and Nisqually Projects as mitigation for Tacoma Power's hydroelectric projects. A majority of the work covered by this agreement is related to WDFW's operation of the Cowlitz Trout and Salmon Hatcheries, facilities that grow roughly 8 million juvenile salmon and steelhead annually to meet Tacoma Power's Cowlitz fish production obligation, and staff recommend continuing this relation at this

time to minimize risk to fish health and Tacoma's ability to meet FERC license requirements. The master agreement utilizes an annual task order format with a separate task order budget and schedule of deliverables for specific activities which allows Tacoma Power to successfully and efficiently negotiate annual task orders with WDFW, and results in greater accountability and clarity between Tacoma and WDFW and has allowed the program to adjust to the changing conditions associated with fisheries programs and budgets.

In response to a Board question about WDFW staff; Mr. Shoblom confirmed that WDFW staff maintains the employees that staff these facilities and one advantage is the flexibility to work with them to get the right person at the right a facility at the right time. WDFW has a deep pool of skilled employees. In response to a Board inquiry about available grants, Mr. Shoblom explained that this is part of Tacoma Power's obligation for mitigation requirements from FERC so Power is required to fully fund this.

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

D-4 Resolution U-11227 – Authorize the negotiated sale of approximately 1.19 acres of Tacoma Power property, identified as a portion of Lewis County Assessor tax parcel no. 028327-001-000 located adjacent to Mayfield Lake and the Kris Kay residential subdivision in the Mossyrock vicinity of unincorporated Lewis County to Michael and Cheryl Jensen for \$125,500.

Mr. Patterson moved to adopt the resolution; seconded by Ms. Cooley.

Greg Muller, Real Estate Officer, summarized the resolution. Tacoma Power requests the Board declare surplus and approve the negotiated sale of approximately 1.19 acres of land ("Property"), identified as a portion of Lewis County Assessor Tax Parcel No. 028327-001-000, located adjacent to Mayfield Lake and the Kris Kay residential subdivision in the Mossyrock vicinity of unincorporated Lewis County. The property is in a rural location originally acquired in 1961 by Tacoma Power, and is no longer needed as it lies outside of the FERC-regulated boundary for the Cowlitz Hydroproject, and ownership entails unnecessary time and expense. As required by the Purchase and Sale Agreement, prior to closing the sale, the buyer obtained approval from Lewis County for a boundary line adjustment needed to convey the Property. The buyers, Michael and Cheryl Jensen ("Jensens"), own an abutting tract in the Kris Kay residential subdivision which does not have enough room to accommodate a well, an on-site septic system/reserve area, and a house. The purchase price for the Property in the amount of \$125,500, has been determined to be fair market value. The purchase of the Property will allow the Jensens to construct a residence on the enlarged property. Tacoma Power has determined that the Property sought by the Jensens is not essential for continued effective utility service and has deemed the Property surplus to Tacoma Power's needs pursuant to RCW 35.94.040 and TMC 1.06.272.278.

In response to Board inquiries, Mr. Muller offered the following clarifications. This is excess land and it is wedged between the lake and the residential subdivision outside of the boundary. The property doesn't have any attributes required by FERC and it doesn't provide any benefit to the hydro project. This may resolve some of the trespassing issues because the land will be developed by a house and there will be on-site owners there. There is no known wetlands on the property. In response to a Board inquiry

about processes surrounding the Board's review of surplus property notices, Director Flowers shared that staff is working on the process and there will be a meeting in January to discuss further. Staff is evaluating a way to provide notice to the Board of the intent to surplus at the same time General Government is informed.

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

D-5 Resolution U-11228 – Authorize execution of a Power Service Agreement between Tacoma Power and Puget Sound Energy, Inc.

Mr. Patterson moved to adopt the resolution; seconded by Ms. Cooley.

Rick Applegate, Sr. Power Analyst, summarized the resolution. Tacoma Power supplies electric service to its industrial customers pursuant to the requirements of State law. A proposed new industrial service for Puget Sound Energy, Inc. ("PSE") requires a contract for service. Tacoma Power recommends a 10-year Power Service Agreement with PSE, effective January 1, 2021, to support commercial operations of its liquefied natural gas operations in the Port of Tacoma. On December 14, 2016, and May 10, 2017, the Board considered and adopted Resolutions U-10898 and U-10928, which approved the execution of reimbursement contracts with PSE to build the facilities necessary to interconnect PSE's new large electric load to Tacoma Power's system. The proposed power service agreement provides, in part: (1) PSE will receive service under a New Large Load construct as directed by Section IV.B.2.c.3.b of the Tacoma Power Electric Rate and Financial Policy and TMC 12.06.265 as of April 1, 2021, which requires that any customer demand that grows by more than 8 MW in a rolling 12 month period be served per this construct, and (2) pursuant to reimbursement contracts between Tacoma Power and PSE, PSE paid for construction of a substation needed to serve PSE's anticipated 14 MW load; further, PSE is required to pay for the potential decommissioning and remediation at the end of service; therefore a substation decommissioning agreement has been negotiated and attached to the proposed Power Services Agreement.

In response to a Board inquiry concerning eventual removal of the substation, Mr. Applegate added that the land the substation is on is owned by the Port of Tacoma; it is not a permanent right and there will be a requirement for Puget Sound Energy to remove it and pay for its removal in the future. Chair Flint added that as a public utility, TPU is required to serve any load that is legally permitted to operate.

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

D-6 Resolution U-11229 – Authorize implementation of the proposed Water Service Line Grant and Loan Program and associated funding to support customer-owned water infrastructure repairs and/or replacement during and after the deployment of advanced meters.

Mr. Patterson moved to adopt the resolution; seconded by Ms. Cooley.

Matt Hubbard, Power Engineer, summarized the resolution. TPU plans to deploy Advanced Metering Infrastructure (AMI) across its entire water and electric service territories. As part of the AMI project, TPU reviewed existing utility policies, procedures,

and practices for essential changes required to implement AMI and make other essential updates as needed in order to address customer impacts, further customer wellbeing, and ensure the success of the AMI program. To address these issues, on August 26, 2020, the Public Board adopted Resolution No. U-11190, which approved the AMI Customer Side Repair Policy and authorized TPU staff to develop a grant and loan program specific to customer owned water infrastructure repairs and/or replacement. Resolution No. U-11190 further directed staff to bring the developed grant and loan program back to the Board for approval and staff has developed the Water Service Line Grant and Loan Program which will provide financial support for customers to repair and/or replace customer side pipe due to impacts greater than those outlined in the AMI Customer Side Repair Policy. The program will support customer-owned water infrastructure repairs and/or replacement during and after the deployment of AMI, is intended to extend beyond the scope and duration of the AMI project, and has a direct nexus with water conservation by providing customers financial resources to locate and fix leaks and reduce unnecessary water consumption. An initial program budget of \$500,000 is recommended to be established within Tacoma Water for the Program.

Board Members made positive remarks about this resolution and expressed appreciation to staff for creating solutions that will benefit the customers. Mr. Hubbard added that as TPU moves through meter deployment, staff will be reviewing instances to see if any program changes need to be made. Chair Flint asked that the Board stay informed of any program changes.

Voice vote taken and carried. The resolution was adopted.

D-7 Resolution U-11230 – Authorize resolution re-establishing the Community Outreach Workforce Planning Project as a special project of limited duration for Tacoma Water and designating general salary classifications and benefits for persons employed as part of this project.

Chair Flint recused himself from this resolution and turned off his camera and audio.

Ms. Cooley moved to adopt the resolution; seconded by Mr. Watson.

Seth Doull, Assistant Water Division Manager, summarized the resolution. Tacoma Water requests approval to re-establish the Community Outreach Workforce Planning Project (“Program”), as a special project of limited duration from 2021 through 2024, to include hiring individuals through the Tacoma Training & Employment Program (“TTEP”) to fill up to three Water Utility Worker special project positions. The goal of TTEP (formerly YBT/Outreach Program “YBT”) is to assist residents of Tacoma, ages 18 and older, to gain skills and learn applicable trades, promote local employment and skill development, and create a workforce that reflects the community served by TPU. This effort has been in place for years with positive results, and a number of successful YBT candidates have been hired over the years, taken the Utility Worker test, and received scores sufficient to be hired permanently. Tacoma Water requests approval to reestablish the program and hire up to three special project Water Utility Workers for the 2021/2022 and 2023/2024 biennia at an estimated two-year cost (including benefits) of \$556,376, and an estimated cost of \$1,112,752, for all four years.

In response to a Board inquiry, Jennifer Airey, Assistant Water Division Manager, added that staff is actively pursuing partnerships to further advance this program. Board Members made positive remarks about this program. Chair Flint returned to the meeting.

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

F. Reports of the Director

Covid-19 Update

Director Flowers shared that we are in day 285 of the emergency declaration. The Open Public Meetings Act and Public Records Act Proclamations of the Governor were extended until January 19, 2021; the Ratepayer Assistance Preservation of Essential Services Proclamations were also extended by the Governor to April 30, 2021. Staff continues to telework with field crews reporting to work primarily to field job sites; the importance of safety measures are still being stressed. Staff is coordinating with the Health Department on vaccine distribution and working to prioritize distribution to critical infrastructure continuity staff. Director Flowers then provided the latest emergency assistance use statistics; with three weeks left in the year, there is \$183,472 remaining; 12,250 accounts have received assistance. TPU continued to partner with General Government and was able to distribute \$750,000 in federal CARES funding to small businesses. Customer service staff has been working to connect customers with growing balances to available funding; TPU continues to hover at approximately 2 percent of customers having a balance greater than \$750.00. Customer Service is evaluating plans for income assistance in 2021. In response to a Board inquiry about whether or not current or past income is considered for assistance programs, Director Flowers shared that TPU has taken a relaxed approach to the emergency assistance program and are not going to last year's tax documents. Customers only need to certify their particular, current circumstance. With the BCAP program, there is more rigor for proof of income and staff will evaluate modifications to that in the recovery period.

Work Plan for the Director of Utilities

Chair Flint walked through the proposed process for the Director of Utilities' work plan. As background, last year the Director's evaluation was conducted in June with reconfirmation by the Council in August. The City Charter says that reconfirmation must take place every two years in August. All of TPU does planning on a calendar basis; so the Director's evaluation is out of sync with staff. The Board would like to resync the Director's evaluation timeline to a calendar basis of January through December and in even years, conduct a mini check-in with the Board that would lead to the rationale to the vote of the Board and communicated to the Council for confirmation consideration. Chair Flint then walked through the timeline and proposed evaluation materials. This will be discussed further in the New Year.

Comments by the Board

Chair Flint made comments in support of Council Resolution 40710 regarding the Pierce County Council's proposed ordinance to disband the current governance structure of the Tacoma Pierce County Health Department.

Executive Session

Board Member Patterson moved to convene and executive session at 4:35 p.m. to enter into an executive session not to exceed 60 minutes to consider the minimum price at which real estate will be offered for sale or lease per RCW 42.30.110(1)(c) and for pending/potential litigation per RCW 42.30.110(1)(i); seconded by Ms. Cooley. Voice vote taken and carried.

Chair Flint announced that there would be no further business after the executive session and moved that after the conclusion of the executive session, the Clerk of the Board is authorized to adjourn the meeting; seconded by Mr. Patterson. Voice vote taken and carried. The executive session concluded at 5:31.

H. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 5:31 p.m. until January 13, 2021 at 3:00 p.m.

Approved:

Bryan Flint, Chair

Christine Cooley, Secretary