



APPROVED 8-14-19

MINUTES
City of Tacoma
Public Utility Board Meeting
July 24, 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: Karen Larkin, Bryan Flint, Mark Patterson, Christine Cooley, Carlos Watson

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

There were no recognitions.

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-11091 – Award contracts and approve purchases:

1. Award contract to Northwest Cascade, Inc., for the replacement of acquired asbestos cement water main in 152nd Street East, Bingham Avenue East to 50th Avenue East in Pierce County (\$287,969, plus applicable taxes).

Board Member Patterson recused himself from this item and left the dais.

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

In response to a Board request for additional background on customer acquisition and outreach, Ryan Flynn, Water Division Manager, answered that Tacoma Water acquired the service road in 2017. Prior to that, the customers were wholesale. There were no adverse impacts to customers when the wholesale class of 620 individual accounts were changed to retail. The City Council's service expansion policy and is done only by

customer request. Customers were given welcome packets introducing all Tacoma Water services and we also keep them notified of all upcoming construction projects.

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

D-2 Motion 19-05 – Approve the performance evaluation of Director of Utilities, Jackie Flowers, for her first year of employment starting August 1, 2018 and approve an increase in compensation.

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

Board Chair Larkin summarized the review process and her ratings. This is the Director's first annual review. Next year, in 2020, after the Board's review the Council will also have a reconfirmation process. The Chair worked with the Director and HR to develop strategic directives on which the Director was evaluated. The Mayor also provided input and reviewed the evaluation. The Director did a self-evaluation and provided a status report on each of the evaluation points. There were also executive sessions on the topic. The overall rating for the Director is 'exceptional performance', the highest in the scale. Detail on all of the 36 ratings will be posted on the website. The exceptional rating is for three primary reasons: community outreach; Board and Council engagement and intergovernmental consideration; and employee leadership.

Board Member Watson shared that he's been a Board Member for a short time, but has seen great leadership skills from the Director. The Director has shown herself to be knowledgeable and as a new Board Member, helped him feel comfortable and informed.

Board Member Cooley stated that the Director has hit the ground running and has taken on large, complicated issues. The new leadership style is a welcome change.

Board Member Patterson made positive remarks about the Director's compassion for the community and staff, work on complex projects such as the Advanced Meter Project, and her hard working attitude.

Board Member Flint thanked the Director for her leadership with the revamped evaluation process. In the recruitment for the Director, someone who would engage the Board and Community, connect TPU with the public, and understand public telecom structure was sought and that was done. Mr. Flint voiced appreciation for improvements with the relationship with General Government (GG) and made positive remarks about new coordination and collaboration between TPU and GG. Positive remarks about the new leadership style and commitment to diversity and inclusion were made.

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

D-3 Resolution U-11092 – Approve declaration of surplus of a 115kV oil circuit breaker no longer needed for Tacoma Power's current or future needs and authorize the sale of equipment to the highest responsive bidder.

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

Sean Veley, Power Supervisor, summarized the resolution. Tacoma Power has determined that existing 115kV oil circuit breaker is no longer needed or necessary for

continued normal operations due to age, reliability, or damage. Tacoma Power is in compliance with environmental/disposal regulations with this surplus declaration. In accordance with RCW 35.94.040, a public hearing on the declaration of surplus was held. There were no public comments.

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

D-4 Resolution U-11093 – Approve declaration of surplus of a distribution substation transformer no longer needed for Tacoma Power’s current or future needs and authorize the sale of equipment to the highest responsive bidder.

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

Sean Veley, Power Supervisor, summarized the resolution. Tacoma Power has determined the distribution substation transformer is no longer necessary or needed for continued normal operations due to age, reliability, or damage. Tacoma Power is in compliance with environmental/disposal regulations with this surplus declaration. In accordance with RCW 35.94.040, a public hearing on the declaration of surplus was held. There were no public comments.

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

D-5 Motion 19-06 - Approve settlement of the property damage claim subrogation claim of Farmers Insurance Exchange, as subrogee of Dimension Town Homes against Tacoma Water for the amount of \$161,478.51.

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

Tom Morrill, Chief Deputy City Attorney, summarized the motion. On April 5, 2018, a 12-inch water main located in the 13000 block of Military road split, flooding a duplex located across the street. The owner of the duplex, Dimension Townhomes, was covered by a commercial property insurance policy with Farmers Insurance Exchange, which is now seeking to recover its costs from Tacoma Water.

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

H. Reports of the Director

H-1 May 2019 cash projections for Power, Water, Rail

H-2 May 2019 financials for Power, Water, Rail, Fleet, Self-Insurance Fund

Director Flowers provided an overview of the topics covered in the Board study session: Low-income Program Update; Power Energy Risk Management Update; Discussion of Board Policies; Executive Session to Discuss the Performance of a Public Employee.

Cam LeHouillier, Assistant Power Section Manager, provided an update on the Shade Tree Coupon pilot program. Shade trees save energy by delaying the penetration of air conditioning units, increasing the efficiency of air conditioning units that are installed, and reducing summer energy usage. Customers in Pierce County can get coupons of \$30 for each tree planted, up to five trees. The trees improve air quality, reduce traffic noise, mitigate storm water, reduce heat island effect, and helps the City of Tacoma meet the Environmental Action Plan (EAP) goal to increase the city’s tree canopy. The number of

trees planted so far is 2,817 with a total lifetime savings of 1,966 MWh. In the fall of 2019, TPU will launch a shade tree program focused in the Hilltop neighborhood to provide trees at no cost. In response to a Board inquiry about how tree survival is evaluated, Mr. LeHouillier responded that information isn't available yet, but there will be future efforts to do so. In response to Board inquiries, Mr. LeHouillier further clarified that this program is open to all residents in Pierce County and TPU is looking to further target the program for the service territory. There is a goal to increase the tree canopy in underserved neighborhoods and that's one reason for the Hilltop neighborhood program. Board Members made positive remarks in that this helps the city's tree canopy goal and that there has been good coordination with General Government. Chair Larkin added that the Master Gardener's Association is helping to promote this program and can help with proper planting techniques to help with tree survival.

I. Comments by the Board

Board Member Flint stated that TPU's income assistance brochures are now in six languages.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:07 p.m. until Wednesday, August 14, 2019 for a study session beginning at 3:00 p.m. at Tacoma Public Utilities, followed by the regular meeting at 6:30 p.m. at Tacoma Public Utilities.

Approved:

Karen Larkin, Chair

Mark Patterson, Secretary