



APPROVED 10-28-20

MINUTES  
City of Tacoma  
Public Utility Special Board Meeting  
October 14, 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.

Chair Flint welcomed newest Board Member, Joe Bushnell. All Board Members and staff present conducted introductions.

**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**

Christina Turner, TPU Social Responsibility Manager, provided an overview of the 2020 United Way Virtual Campaign at TPU, which ran from September 16 and October 7. This was the first virtual campaign at TPU. The goal for employee giving was set at \$142,000; \$163,334 was collected to date with some funds yet to be counted. Chair Flint made positive remarks about employee generosity.

**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.

There were no public comments.

**Regular Agenda**

D-1 Resolution U-11201– Award contracts and approve purchases:

1. Increase contract to Potelco, Inc., and Wilson Construction Company for Transmission and Distribution augmented crew services (\$1,900,000 and

\$300,000, respectively. Cumulative total \$6,520,547.50, plus applicable taxes) [Joe Parris, T&D Contract Program Manager];

2. Award contract to Coast Rail, Inc., for upgrades of approximately 1,425 feet of railroad track and other associated work (\$930,360, plus applicable taxes) [Kyle Kellem, Rail Roadmaster].

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

In response to a Board request for additional information on item number one, Joe Parris, T&D Contract Program Manager, explained that this contract is in place to supplement in-house crews on an as-needed basis as Power crews are at capacity. The contract is normally used for customer-driven service work and storm restoration. It is also used to prepare poles for wireless communications in preparation for the 5G rollout. The contractors sometimes have specialized equipment that Tacoma Power doesn't own. This is the last year of the contract that was put out for public bid. In response to a Board inquiry relating to 5G improvements, Chris Robinson, Power Superintendent stated that wireless companies remit payment, resulting in increased revenue.

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

- D-2 Resolution U-11202 – Approve the application for \$2 million in grant funds through the Bureau of Reclamation's WaterSMART Grants program, specific to the deployment of approximately 107,000 advanced water meters and radio modules installed as part of the Advanced Metering Infrastructure Project

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

Corey Bedient, Assistant Water Division Manager, summarized the resolution. TPU plans to deploy Advanced Metering Infrastructure (AMI) across its entire water and electric service territories, replacing or upgrading all non-communicating water and power meters with advanced two-way communicating technology. To support this effort, Tacoma Water has applied for \$2 million from the Bureau's WaterSMART grant program specific to the deployment of approximately 107,000 advanced water meters and radio modules. This grant, when complemented with the planned utility investment of approximately \$25 million for grant related meter/module deployment, will help provide more efficient service to drinking water customers served. Procedures established by the Bureau of Reclamation require a resolution certifying the approval of the grant application by the applicant's governing board be submitted as part of the application package to the Federal Government. This resolution is the last remaining component required to complete the application package submitted to the Bureau of Reclamation on September 17, 2020. If selected for award, TPU will enter into an agreement with the Federal Government to carry out the identified project. In accordance with Bureau procedures in section D.2.2.8 of the funding opportunity announcement, a resolution is requested stating that: The Board has reviewed and, in concurrence with the Council, supports the filing of the application through the Bureau of Reclamation for the WaterSMART: Water and Energy Efficiency Grants program for fiscal year 2021 for the TPU/Tacoma Water "Advanced Metering Infrastructure Deployment Project"; The Board, in concurrence with the Council, certifies the capability of TPU/Tacoma Water to provide the amount of funding and/or in-kind contributions specified in the application funding plan; TPU/Tacoma Water will work with the Bureau of Reclamation to meet established

deadlines for entering into a grant or cooperative agreement; The Board, in concurrence with the Council, identifies the Utilities Director, or their designee, with legal authority to enter into an agreement. A resolution is planned for adoption by the Council on October, 13th, 2020, approving the grant application and outlining the certifications and authorizations listed above. TPU/Tacoma Water has also received four U.S. Congressional letters of support from: Senator Patty Murray, Representative Derek Kilmer, Representative Denny Heck, and Representative Adam Smith. Completion of TPU's AMI water meter/module installations is planned for late 2022 and will be coordinated with similar upgrades to TPU's electric meters. The AMI Project supports TPU's long-term goal of water supply reliability and efficient water management. TPU's advanced metering program will provide multiple improvements to customers including the ability of the advanced meter system to better detect leaks and provide that information to customers to take prompt action; a new 'customer portal' that will provide customers with near real time information on their water usage so that they can make more informed choices about their consumption; and the replacement of water meters with more accurate meters that will better identify actual water usage. Additionally, this project will lead to a number of other measurable efficiency improvements described in the grant application. Those include: estimated water savings of 2,049.5 acre-feet per year (AFY); estimated savings of nearly 24,000 gallons of gasoline per year in meter reading and maintenance vehicle consumption; estimated emission reductions on the order of 35.1 metric tons of CO2 per year. These savings will also reduce the amount of water diverted and treated out of the Green River, TPU's primary drinking water source, and provide energy savings associated with pumping reductions. Additionally, these water usage reductions will provide flexibility for ongoing initiatives aimed at improving the health of several threatened species including bull trout, Puget Sound chinook, and Puget Sound steelhead. Advanced Metering is an essential building block of TPU's infrastructure that enables significant conservation measures.

In response to a Board inquiry, Mr. Bedient explained that the timeframe for awarding the grant is spring 2021. Whatever funds are provided will be credited back to the water funding source. So far, 162 water meters and 174 power meters have been switched.

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

#### Covid-19 Update

Director Flowers shared that it has been 2230 days since TPU stood up its emergency response team. Telework continues with field/continuity works reporting with all safety measures in place. The Mayor's proclamation to postpone disconnects is still in effect and the Governor's proclamation postponing disconnects has been extended to December 31, 2020. Customer Service is reaching out to residential customers with high balances to make them aware of resources available to them. Staff is in final discussions with the City of Tacoma to be able to access additional CARES dollars and evaluating the potential of being able to use the funds for small business assistance. TPU was not able to apply other emergency assistance funding to businesses as it was only for the poor and infirm. An announcement on the funding is expected next week.

#### Financials

Director Flowers informed the Board that the July 2020 financials for Power, Water, Rail, Fleet, and Self-Insurance Fund have been provided to the Board in advance of the meeting. There was no verbal report.

### Budget and Rates Outreach

LaTasha Wortham, Regional Relations Manager, and John Gaines, Community Relations Manager, presented an update on budget and rates community engagement. The current outreach environment, due to Covid-19, was outlined. It is recognized that some customers still have technology barriers and may have other priorities during this time. Virtual engagement efforts were detailed. These include neighborhood council meetings, partnering with existing events of organizations, key accounts, business districts, etc. Virtual engagement feedback was heard on topics ranging from equity, emergency assistance program, ways to save, assistance programs, hiring practices, rates, and many expressed appreciation for continued engagement. Board Members made positive remarks on all outreach efforts, especially given limits during the emergency declaration.

### Budget and Rate Discussion

Per Council discussion at the October 6 joint study session, Director Flowers reviewed TPU's recommended rate proposals for Power and Water and walked through an alternate proposal with a zero percent rate increase in 2021 along with the impacts of that. If Tacoma Power didn't implement a rate increase in 2021, a 4.5 percent rate increase would be required in 2022-2024 to restore the utility to the financial plan. Increases up to 6.3 percent would be required in some scenarios, such as loss of a large customer or poor wholesale market and economic conditions. If Tacoma Water did not implement a rate increase in 2021, a 3.3 percent rate increase would be required in 2022-2024 if there were no variations from the base case financial plan. These increases are subject to impacts from financial and economic risks and could be as high as 6.1 percent each year if there was a loss of revenue from a large customer. Director Flowers then reviewed customer impacts for both Power and Water. Discussion ensued; a Board vote on the budget is scheduled for October 28.

### Miscellaneous

Power Superintendent, Chris Robinson, summarized outages from the week's wind storm. There were gusts up to 40 miles per hour with 9,000 customers experiencing sustained outages. Most of these outages were from falling trees and limbs. Ten line crews were activated. Director Flowers added that the new outage management system performed well.

### **Comments by the Board**

There were no additional Board comments.

### **Executive Session**

Board Member Patterson moved to convene an executive session at 5:40 p.m. for 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 and potential litigation per RCW 42.30.110(1)(i); seconded by Board Member Cooley. Voice vote was taken and carried.

Chair Flint announced that at the conclusion of the executive session, the Board will not take any further action and the meeting will be adjourned. Chair Flint moved that at the conclusion of the executive session, the Clerk of the Board is authorized to adjourn the meeting; seconded by Board Member Cooley. Voice vote was taken with the motion passing.

The executive session was adjourned at 6:23 p.m.

**Adjournment**

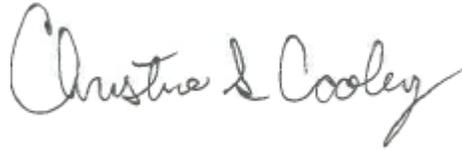
There being no further business or comments, the Public Utility Board meeting was adjourned at 6:23 pm. until Wednesday, October 28, 2020 at 3:00 p.m.

Approved:



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Bryan Flint, Chair



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Christine Cooley, Secretary