



APPROVED 12/9/2020

MINUTES
City of Tacoma
Public Utility Special Board Meeting
November 18, 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.

Guest Presentation: Port of Tacoma Strategic Plan

Chair Flint made welcoming remarks. John McCarthy, Port Commission President, provided an update of the 2020 Port of Tacoma (POT) strategic plan. As background, Washington is the most trade-dependent state in the nation, with 40 percent of jobs relating to international trade. As half of the Northwest Seaport Alliance (NWSA), it is the fourth largest cargo gateway in the country. A study released in 2019 highlighted the economic impact of the POT's real estate and marine cargo operations in 2017: Supported more than 42,100 jobs; Generated nearly \$3 billion in economic activity; Produced more than \$100 million annually in state and local taxes to support education, police, fire services, and road improvements. The POT and TPU have a long history of partnerships and investment that bring economic development opportunities to the south sound and thousands of local, family-wage jobs. Recently, both organizations approved a clean-up agreement for the former-steam plant site. The POT inter-local agreement with Tacoma Power provided a framework to manage Port development projects that impact Tacoma Power's infrastructure. POT and TPU work together on projects related to our clean air strategy including development of a special shore power rate and an exciting project in 2021 that will bring six electric yard trucks to the South Intermodal Yard. Early next year, the POT will also begin a two-year study of the Port's future electricity needs associated with transitioning to zero emission technologies by 2050; TPU will be a core partner in this analysis. Tacoma Power's conservation team partnered on several interior and exterior energy conservation projects. Tacoma Rail is a critical partner for all rail customers in and around the POT. There are daily conference calls between Tacoma Rail, each of the on-dock rail ramps, the NWSA, the Burlington Northern Santa Fe, and the Union Pacific railroads that help ensure efficient intermodal

operations throughout the POT. In addition, the NWSA and Tacoma Rail meet monthly via the Joint Operating Committee to review key performance indicators. The POT and the NWSA have extended their South Intermodal Yard Lease with the TPU through December 31, 2025. The previous strategic plan was prepared prior to the NWSA. When the Commission hired Eric Johnson as the Executive Director, one of his first tasks was to begin work on a strategic plan that focused on the non-marine cargo businesses in which the Port can statutorily engage. Maul, Foster & Alongi is the consulting firm helping the POT on this project. Public engagement is essential to the success of this planning process and the POT will be reaching out to ask for feedback at key milestones. Although the process is expected to go into 2021 Q1, it is important to provide feedback early so that it can be incorporated into the Commission's discussions on goals and initiatives. Mr. McCarthy outlined ways for the public to engage in the strategic plan, including emailing at strategicplan@portoftacoma.com. Board Members made positive remarks about the partnership between POT and TPU and further collaborating for the benefit of the public served by both entities.

Recognition

Sonja Bert, Community Relations Officer, reported that TPU has received the MarCom Award from the Association of Marketing and Communication Professionals. Ms. Bert then outlined each of the recognized publications, which include UBits, Energy Conservation Rebate postcard, Water Quality Report, U*-Utilities & You, and Sustainability Logo.

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.

Kit Burns made public comments offering congratulations on the MarCom awards and in support of maintaining, not replacing, the current TPU customer portal.

Regular Agenda

- E-1 Resolution U-11217– Award contracts and approve purchases:
1. Award five-year contract to Milestone Utility Services, Inc., for customer engagement portal technology implementation and services (\$4,931,830, plus applicable taxes) [Treena Colby, Program Development Manager];
 2. Award three-year contract to Cleaveland/Price, Inc., for the purchase of 115kV unitized transmission switches (\$460,210, plus applicable taxes. Includes option to renew for two one-year periods for a projected contract of \$814,439.13) [Joe Parris, T&D Contract Program Manager];
 3. Award contract to Polydyne, Inc., for water treatment polymer chemicals (\$154,740, plus applicable taxes. Includes option to renew for four additional one-year periods for a projected contract amount of \$773,700, plus applicable taxes) [Kim DeFolo, Principal Engineer].

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

In response to a Board request on item number one, Treena Collby, Development Manager, outlined the functionality that will be provided in addition to MyAccount; detailed usage analysis is the number one ask from customers. In response to a Board inquiry, Ms. Colby clarified that this project is related to AMI, but it is a distinct program; \$250,000 is in the AMI budget to help with usage data display, but everything is outside the AMI project.

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

E-2 Resolution U-11218 – Approve and adopt TPU’s state and federal legislative policies [Clark Mather, Community and Government Relations Manager].

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

Clark Mather, Community and Government Relations Manager, summarized the resolution. TPU’s legislative policies are generally updated and approved by the Public Utility Board on an annual basis. TPU’s legislative policies were last approved by the Public Utility Board via Resolution U-11125 on December 4, 2019.

Discussion ensued with the Board amending Exhibit A to the Resolution as follows: Tacoma Power / Comprehensive Section / page two / bullet three / line five: adds ‘and heating/building’ after the word ‘transportation’.

Voice vote was taken and carried. The resolution was adopted with Exhibit A amendment.

E-3 Resolution U-11219 – Approve and adopt TPU’s state and federal legislative agenda. [Clark Mather, Community and Government Relations Manager].

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

Clark Mather, Community and Government Relations Manager, summarized the resolution. TPU’s legislative agenda includes some of the proactive policy objectives, consistent with TPU’s legislative policies, that TPU staff will advocate for at the state and federal levels. TPU’s legislative agenda was last approved by the Public Utility Board via Resolution U-11126 on December 4, 2019. Following PUB approval, TPU’s legislative agenda will be presented to the Tacoma Mayor and City Council for approval as part of the City’s Legislative Agenda before the end of the 2020 calendar year.

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

E-4 Resolution U-11220 – Authorize adoption of a letter of agreement as negotiated with the International Brotherhood of Electrical Workers, Local 483, Water Division Unit, regarding the voluntary recognition of a classification to be titled Water Systems Operations Supervisor [Dylan Carlson, Senior Labor Relations Manager].

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

Dylan Carlson, Senior Labor Relations Manager, summarized the resolution. This resolution will authorize execution of a letter of agreement for the purpose of collective bargaining, and established rate of pay for the classification. This classification will be designated as hourly and eligible for overtime pay.

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

E-5 Resolution U-11221 – Adopt proposed revisions to TMC Chapters 12.01 and 12.06 to support implementation of the Advanced Metering Infrastructure Project and include the addition of an opt-out fee and associated fee discount, language specifying that PrePay customers will receive statements instead of invoices, and language specifying that remote meter disconnections, connections, and reconnections will not be charged a fee [Matt Hubbard, Power Engineer].

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, replacing or upgrading all non-communicating power and water meters with advanced two-way communicating technology. TPU has reviewed existing utility policies, procedures, and practices for essential changes required for implementation. Proposed revisions to the Tacoma Municipal Code, Title 12-Utilities include changes to Chapters 12.01 and 12.06 as follows: 12.01.010 B: The word “Fees” is added to the section title, to clarify this section includes both adjustments and fees. Language is added for the recommended \$15.00 AMI Opt-Out service fee, to be charged each billing cycle for opt-out customers (e.g. monthly). Specification is added regarding a fee discount percentage and that low-income senior and/or disabled Discount Rate Program customers are eligible to receive that program’s discount on the fee. The fee is based on TPU’s costs to provide opt-out service and shall be effective January 1, 2021. Opt-Out of Advanced Metering Infrastructure is a voluntary option for customers; 12.01.010 B and C: Language is added specifying there will not be a disconnection, connection, or reconnection fee charged to the customer if the action may ordinarily be performed remotely. Remote meter disconnection and reconnection is a benefit enabled by AMI. Historically, TPU did not charge remote meter disconnection and reconnection fees for PayGo and the utility recommends to continue this practice for PrePay going forward. Expanding this to all meters with remote capability provides consistency and is also cost of service based, with new automated processes minimizing/eliminating manual office procedures and field visits. The primary benefit is to residential electric customers, with a small percentage of water meters also having remote disconnection/reconnection capability; 12.06.110 A: Language is added to clarify that PrePay customers will receive a statement, not an invoice, and that a PrePay statement itemizes activity during the previous billing period and does not have a due date. This aligns to the TPU Customer Services Policy regarding PrePay statements (section 4.2.2).

Board Members made positive remarks about this resolution.

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

E-6 - Resolution U-11222 – Declare surplus and authorize the negotiated sale of approximately 43 acres of Tacoma Water property identified as tax parcel No.

0419141088 located in the Puyallup vicinity of unincorporated Pierce County to the Puyallup School District No. 3 for \$2,025,000 [Greg Muller, Estate Officer].

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

Greg Muller, Real Estate Officer, summarized the resolution. Board Member Cooley moved to table Resolution U-11222 until staff are able to assess the possibility of a conservation mechanism such as covenant or easement to preserve the recreational and ecological value of the land to the surrounding community; seconded by Mr. Bushnell.

Voice vote to table the resolution taken and carried.

E-7 Resolution U-11223 – Authorize execution of a wholesale water supply agreement between the City of Fife and Tacoma Water [Marc Powell, Management Analyst].

Mr. Patterson moved to adopt the resolution; seconded by Ms. Cooley. Marc Powell, Management Analyst, summarized the resolution. Tacoma Water provides wholesale water service to 15 neighboring water utilities throughout south Puget Sound. In 2019, Tacoma water sold approximately 2.3 MGD of wholesale water to these utilities for approximately \$2.7 million in revenue. Fife is Tacoma's largest wholesale customer and has been purchasing water from Tacoma for 13 years. Fife has paid Tacoma \$2.1 million in System Development Charges which provides them with access to an average of 1.47 MGD with a peak allowance of 2.9 MGD. Fife is expected to purchase approximately \$1.2 million worth of wholesale water from Tacoma Water annually. The proposed agreement will clarify the rights and obligations related to Tacoma Water providing wholesale water service to Fife through an updated agreement that is similar to agreements Tacoma has with other large utilities. Fife will be charged for water usage in accordance with current rates as listed in TMC 12.10.400.

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

F. Reports of the Director

Covid-19 Update

Director Flowers reported that there are no changes, since the last report, in TPU's operating response. Continuity staff is reporting to sites and the bulk of office staff is still in telework status; work from home has been extended through June 2021. TPU continues to ensure safety rigor and monitor the Governor's phased approach. Director Flowers then reviewed the current emergency assistance program and CARES business assistance statistics.

Written Reports

Director Flowers mentioned that the quarterly financial outlook, budget performance report and performance metrics, and energy risk management report are in written form only and provided to the Board and posted on the website in advance of the meeting.

Tacoma Water Special Project Designation/Outreach Program

Jennifer Airey, Assistant Water Division Manager, provided an overview of the Community Outreach Workforce Planning Project. This project is directly linked to Water's workforce development strategic initiative as a component of the pre-apprenticeship program. It provides an opportunity to enter the talent pipeline and gain

hands-on experience while earning a living wage. The goal and ultimate measure of combined success is gaining permanent employment status. Clifford Armstrong, Neighborhood and Community Services Program Manager, summarized the outreach purpose, components, partnerships, and timeline. Seth Doull, Assistant Water Division Manager, outlined the water utility worker position and benefits of a project position. These benefits include gaining real-life career experience, strengthening resumes, and learning skills to prepare for civil service testing. James Southern, Safety Coordinator, shared his experience with this program; he was hired permanently in 2004. Ms. Airey highlighted other employees who were successful in this program. A resolution requesting continuing and funding for this program for three water utility worker positions will come before the Board at a future meeting.

G. Comments by the Board

Chair Flint commented that a Board workshop was scheduled for December 1 to discuss the content of the Director's evaluation and work plan. Instead, the Mayor has called for a joint study session that day to discuss legislative priorities. The Director's work plan will now be part of the Board meeting scheduled for December 9 under Reports of the Director. The timing and process for the Director's evaluation will be discussed at that time.

Board Member Cooley expressed appreciation for the tabling of Resolution U-11222 and asked that in the future, detailed information about the surplus property be provided to the Board prior to seeking consideration.

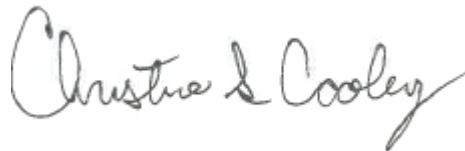
H. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 5:56 pm until December 9, 2020 at 3:00 p.m.

Approved:



Bryan Flint, Chair



Christine Cooley, Secretary