



APPROVED 2-24-21

MINUTES
City of Tacoma
Public Utility Special Board Meeting
February 10, 2021
3:00 p.m.

Chair Flint called the Public Utility Board meeting to order at 3:01 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.

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.

Lelah Vaga, representing A&T, spoke in opposition to the updated rates for telecommunications site license agreements in Resolution U-11238.

Kit Burns expressed concerns relating to cybersecurity and advanced meters; expressed his opposition to the use of customer social security numbers, and introduced alternate per-customer cost calculations for AMI.

Regular Agenda

- C-1 Resolution U-11237– Award contracts and approve purchases:
1. Award three-year contracts to Potelco, Inc., and Northwest Utility Services, LLC, for transmission and distribution augmented crew services (\$2,682,060 and \$375,000 respectively, plus applicable taxes). Combined total of \$7,341,790, with option to renew for a one-year period (for a projected cumulative total of \$9,862,471.23) [Joe Parris, T&D Contract Program Manager].

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

In response to a Board inquiry about contract usage, Joe Parris, T&D Contract Program Manager, explained that the contract amounts are based on projected usage and estimated need. Though it is difficult to estimate customer work and storm restoration, staff gets close. The previous three-year contract was for \$6.5M and \$4.2M has been spent.

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

C-2 Resolution U-11238 – Authorize the use and implementation of an updated Telecommunications Site License Agreement template to approve the schedule of rates and charges specified in said template and delegate to the Director of Utilities the authority to execute and modify the agreements [Jenni Allen, Management Analyst].

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

Jenni Allen, Management Analyst, summarized the resolution. In 1997, the Board authorized a Telecom Licensing Program to manage the requests of telecommunications service providers seeking to use Power and Water properties for unmanned radio antenna sites under Resolution U-9288. As part of this program, a Master License Agreement (MLA) was developed to be used as a template for agreements between TPU and the service providers. Each MLA was approved initially for a 5-year term and allowed up to 3 additional 5-year terms, for a total potential term of 20 years. On February 27, 2019 the Board approved an extension of the MLAs to December 31, 2021 under Resolution U-11061. This extension was to allow sufficient time to bring the program into alignment with the current practices for this industry. Tacoma Power hired a consulting company to help develop the appropriate instruments, fee structure, and other program requirements going forward. Water, Power, and Legal have completed a detailed and comprehensive review of the MLA program, the MLAs, and associated Site License acknowledgements. The program has been aligned with current industry practices and norms. The fee schedule and charges for use of City of Tacoma property and facilities has been reviewed and updated, with the aid of a contractor, and a new Telecommunications Site License Agreement template has been drafted which provides terms and conditions under which telecommunications services providers may access and use Power and Water division properties and facilities. Working with the telecommunication service providers to co-locate on TPU properties allows for better regional communication by widening the cellular phone coverage and capacity in Tacoma and the surrounding areas.

In response to Board requests for additional information, Ms. Allen explained the following. A consultant was hired and that is who provided the suggested rates. The consultant used both published and unpublished rates and spoke with providers, licensers, and other agencies and determined a match with California's mid-level rates. Staff has a complete report. The consultant compared national rates, west coast rates, and regional rates. There is difficulty doing this work in-house because we do not have access to private company/unpublished rates. The consultants also conducted phone interviews and worked with other licensers. The consultants emailed and worked with AT&T consultants. They were notified, sent copy of the proposed changes and fee schedules and informed how they could attend the Board meeting. Staff had additional conversations with the providers to review what their fee changes would look like and

staff also worked with Legal to review for flexibility. The California rates are higher, but the difference is that a lot of the regional sites were on Department of Natural Resource property and are rural and structured differently, like population or tower height, so it is not easy to do comparisons.

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

F. Reports of the Director

Covid-19 Update

Director Flowers shared that there has been no change since the last update. Staff is monitoring the vaccination protocol and following the Governor's phase finder. Employees are encouraged to use that tool to determine eligibility as there is no change in prioritization for continuity/critical infrastructure staff. There are no changes in the operational response.

October and November 2020 Financials for Power, Water, Rail, Fleet, Self-Insurance Fund

Director Flowers informed the Board that the October and November 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.

Advanced Metering Program Update

Andre Pedferri, Advanced Metering program (AMI) Program Manager, provided an overview of the AMI strategic program. AMI is an essential building block of TPU and has been a strategic focus for the past five years. It will modernize TPU services. Benefits support customer cost savings over time, particularly during times of economic uncertainty. The cost to individual customers is relatively low, and spread over ten years. Costs are already factored into current rates. Mr. Pedferri then reviewed the major milestones accomplished, which include execution of vendor licenses, successful initial deployment area, and beginning large commercial/industrial mass meter deployment. The deployment budget was then reviewed. The first AMI meters were deployed in the fall of 2020 to approximately 230 customers/340 meters (190 power/150 water). This small group ensures successful collection of power and water usage data and billing. System validation is nearing completion and includes conversion to monthly billing. Mr. Pedferri then reviewed the 12-month project outlook and upcoming target dates with mass meter communications beginning February/March 2021 and mass meter installations from April 2021 to Q4 2022.

Tyler Swartz, Cybersecurity Supervisor, provided an overview of TPU Cybersecurity AMI architecture and contract reviews, testing, and data privacy and security. Mr. Pedferri then continued by reviewing deployment readiness. Considerations include efficiency of installation plan, customer equity, and former Pay-Go customers. Corey Bedient, Assistant Water Division Manager; and Pat Bacon, Sr. Project Manager reviewed assistance methods for customers: AMI customer-side repair policy; water service line grant program; and water service line loan program. Carrie Mantle, Community Relations Officer, then provided an overview of awareness and community outreach. For general customer awareness, there has been constant web content, publications, bill inserts, social media, newsletters, and other publications. There has been ongoing community outreach to franchise cities, neighborhood groups, City Council, community organizations, and The Black Collective. Emily Privett, Community

Relations Officer, provided an overview of the customer portal community plan; all communication channels will be leveraged for mass messaging. Matt Hubbard, Power Engineer, summarized benefits over time: monthly billing; easier move in/out and reconnection; faster outage and leak detection; improved operational efficiency; automated meter reading; enhanced personal privacy; expanded ways to save; flexible payment options; and reduced environmental impact. Treena Colby, Market Development Program Manager, then shared graphical representations of portal usage data for both desktop and mobile. Board Members and the Director made positive remarks about the presentation and background work.

Cyber Security Update

Director Flowers made introductory remarks. TPU has been audited and receives compliments from regulators for cybersecurity hygiene and rigor; Power is highly regulated. Tyler Swartz, Cybersecurity Supervisor, provided an overview of the Large Public Power Council Cybersecurity principle metrics for the past two years. Charles Spencer, Cybersecurity Engineer then reviewed the SolarWinds (Sunburst) compromise. On December 13, 2020, active exploitation of the SolarWinds Orion platform software was detected. This supply chain attack compromise effected multiple government agencies and public/private entities. It was identified by security company FireEye ranging back from spring 2020 to current through network monitoring software known as SolarWinds Orion. It was 262 days from the initial compromise to detection. TPU actions: UTS declared a cybersecurity incident and performed a full litany of incident response activities; affected servers were archived for potential forensics but decommissioned; staff continues to monitor for known indicators of compromise. Agencies and security companies continue threat hunting and research. Once risk is deemed appropriately mitigated, SolarWinds service will be fully restored and appropriate security guidelines will be implemented. Mr. Swartz then reviewed ongoing engagements with key strategic partners like the National Guard. Recently, staff participated in training and cyber vulnerability assessment with the Guard. Staff also did a passive assessment at the Wynoochee hydroelectric Project resulting in a hardening of TPU's security posture. GridEx is a national level exercise put on by NERC. TPU participated and learned to tie our cybersecurity response plans into the continuity of operations planning. This is a great partnership and the next meeting is in November 2021. In response to a Board inquiry about any elevated risk with staff working at home, Mr. Swartz responded that there are elevated risks and security controls are in place. Board Members made positive remarks about the rigor of this program and the excellent presentation.

Comments by the Board

There were no Board comments.

Executive Session

Board Member Patterson moved to convene and executive session at 5:00 p.m. to enter into a closed session not to exceed 30 minutes to discuss labor negotiations [RCW 42.30.140(4)] followed by an executive session not to exceed 60 minutes to review the performance of a public employee [RCW 42.30.110(1)(g)]; seconded by Ms. Cooley. Voice vote taken and carried.

Chair Flint announced that after the conclusion of the closed session, the Board would go directly into the executive session and after the conclusion of the executive session,

there would be no further business and moved that after the conclusion of the executive session, the Clerk of the Board is authorized to adjourn the meeting; seconded by Ms. Cooley. Voice vote taken and carried. The executive session concluded at 6:21 p.m.

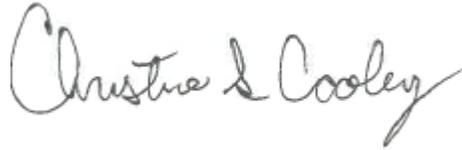
H. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 6:21 p.m. until February 24, 2021 at 3:00 p.m.

Approved:



Bryan Flint, Chair



Christine Cooley, Secretary