



APPROVED 3-24-21

MINUTES  
City of Tacoma  
Public Utility Special Board Meeting  
February 24, 2021  
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.

Board Member Patterson moved to amend the minutes of the Board's special meeting of December 9, 2020 to reflect that Resolution U-11229 (implementation of the Water service line grant/loan program associated with AMI) was not tabled, but rather it was adopted; seconded by Ms. Cooley. Voice vote was taken and carried. The minutes of December 9, 2020 were amended.

**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 was no public comment.

**Regular Agenda**

C-1 Executive Session to review the performance of a public employee  
[RCW 42.30.110(1)(g)]

Board Member Patterson moved to convene an executive session at 3:05 p.m. to enter into an executive session not to exceed 30 minutes to review the performance of a public employee [RCW 42.30.110(1)(g)]; seconded by Ms. Cooley. Voice vote taken and carried. The executive session concluded at 3:34 p.m.

C-2 Motion 21-02 – Approve the performance evaluation of the Director of Utilities, Jackie Flowers, for the period of August 2020 to December 2020 and approve an award of incentive days.

Mr. Patterson moved to approve the motion; seconded by Ms. Cooley.

Chair Flint provided a summary. The former evaluation timeline was based on the Director's start date of August 2018. The last evaluation ended in June 2020 and the Director was reconfirmed. There are issues with having a June-to-June timeline as the Director's goals are then offset with the organization's goals, which are based on the calendar year. Therefore, the Board is conducting a six-month review and will start a new evaluation period based on the calendar year to resync this with the rest of the TPU organization. The review commends the Director on continuing to manage the organization through a pandemic. Lights, water, and trains continue to run and deliver value for customers. There was no degradation in core services during this time. The Director was very involved with Council and Board discussions on the rates and budget. The Director was commended for her hands-on, forward facing, responsive engagement in that process. The Board appreciates the Director's active understanding of rate payers' position and TPU providing relief to that. TPU created a fund to support struggling ratepayers during this time and worked with General Government to leverage funds to small business owners. The Board appreciates the Director keeping an eye on diversity, equity, and inclusion. The overall rating is 'progress ahead of expectations'. The Director's salary won't be increased at this time; a lot of people are hurting. The Director also didn't get an increase on her last evaluation; the Board will continue to discuss the matter.

Board Member Patterson concurred with the summary given by Chair Flint. Mr. Patterson remarked that the core job and key initiatives continue despite being in a pandemic. Stakeholder input was still received during a complicated year. The Director did a great job in keeping everything running in this pandemic.

Board Member Watson echoed these sentiments and stated he has been impressed on how the Director handles herself with dignity, integrity, and poise. Mr. Watson made positive remarks about the emergency assistance program that was implemented.

Board Member Bushnell remarked that the Director has done a fantastic job as leader of the organization and that is reflected in the TPU staff.

Chair Flint expressed his gratitude to all of TPU's public servants and thanked Cathy Journey and Kari Louie of the Human Resources department for their help during this process.

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

C-3 Resolution U-11239– Award contracts and approve purchases:

1. Award two-year Statement of Work contract to Tribus Services, Inc., for Advanced Metering Infrastructure electric and water meter customer field repair work (\$1,600,000, plus applicable taxes)

2. Award contract to Enterprise Environmental Systems Research for an enterprise agreement for software and maintenance in support of geospatial services (\$680,000.00, plus any applicable taxes)

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

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

- C-4 Resolution U-11240 – Authorize execution of a collective bargaining agreement as negotiated with the International Brotherhood of Electrical Workers, Local 483, Supervisors' Unit effective January 1, 2021 through December 31, 2021

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

Dylan Carlson, Sr. Labor Relations Mgr, summarized the resolution. This agreement is for one year and covers approximately 10 budgeted, full-time positions with five positions located at TPU. It provides for a general wage increase of one percent retroactive to January 1, 2021. Language is included for the classifications of fire electrician maintenance supervisor and traffic field operations supervisor only if the agreement with IBEW Local 483 Tacoma Power Unit provides for a greater general wage increase than one percent for 2021, these classifications will receive an equivalent general wage increase effective April 1, 2021, to prevent possible compression issues with the employees they supervise that are covered by the Tacoma Power Unit agreement. Other changes to the agreement include clarifying language regarding the employment status of employees who are part of the Union and may desire to act as the Union Business Manager, and changes to reflect legal requirements, updates to language in Article 7, and changes in Article 8. This item is scheduled for Council consideration on March 9, 2021.

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

- C-5 Resolution U-11241 – Declare surplus and authorize the negotiated sale to Pierce County of approximately 4,225 square feet of land, together with a slope easement in approximately 792 square feet of land, in Tacoma Power property identified as a portion of Pierce County Assessor Tax Parcel No. 0418162058 located in the Graham vicinity of unincorporated Pierce County for \$136,618.05.

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

Greg Muller, Real Estate Officer, summarized the resolution. This property is in a suburban location in central unincorporated Pierce County near Graham and is improved with Tacoma Power's Graham Substation. As part of its county road project 5819, Pierce County is improving and widening 224<sup>th</sup> Street East, the property's frontage road. This right-of-way project will require the fee acquisition of the front 10 feet of the Tacoma Power property, along with a slope easement adjacent to the roadway. Although no part of the substation within the security fencing is to be acquired, some site improvement modifications are required in order to maintain the substation's operational integrity, including expansion of the fencing and ground grid network, and adjustments to the irrigation system and driveway. Pierce County has agreed to the estimated cost-to-cure provided by Tacoma Power needed to make the necessary changes and this is included

in the compensation. Although the fee and slope easement acquisitions require TPU Board approval, the City Council must approve only the fee acquisition. The Council will hold a public hearing, followed by final consideration, with closing of sale expected by April 2021 pending approval.

In response to a Board inquiry regarding responsibility to maintain the slope, Mr. Muller clarified that because of the grade change, Pierce County may put in a berm and the obligation to maintain it is theirs. In response to a Board inquiry regarding accessing the property, Mr. Muller explained that the need for access was the main driver behind modifications, especially to bring in a mobile substation if ever necessary. That necessitated the expansion of the drive way and all was taken into consideration.

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

C-6 Motion 21-03 – Approve settlement of the property damage claim of RAS Data Services, Inc., Claim #B-001-21, companion claim of GAF Corporation, Claim #B-004-20 against Tacoma Rail

Mr. Patterson moved to approve the motion; seconded by Ms. Cooley.

Tom Morrill, Chief Deputy City Attorney, read the motion in its entirety: That upon concurrence by the City Council, the Director of Utilities is hereby authorized to settle for the total amount of \$42,529.00 the property damage claim of RAS Data Services, Inc., Claim No. B-001-21, which is a companion claim of a previously settled claim of GAF Corporation, Claim No. B-00420.

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

#### **D. Reports of the Director**

##### Covid-19 Update

Director Flowers reported that TPU is at its one-year mark of responding to the pandemic. There are no significant changes to operations; telework is continued until the end of June and staff is starting to evaluate post-June processes for potential phasing of reconstitution. An updated telework policy is expected from HR soon. Teams are also evaluating funding to look for opportunities to support customers with delinquent bills and growing balances; disconnections have been postponed since March 2020 and staff will continue to monitor any extensions and that information will be factored into post-moratorium strategy.

##### Resource adequacy/planning discussion relating to recent national events

Chris Robinson, Power Superintendent, provided an overview of the power emergency in Texas due to the freezing weather. Starting on February 14, 2021, the Electric Reliability Council of Texas (ERCOT) triggered rolling blackouts after a simultaneous spike in demand and drop in supply shocked its system; millions of customers were left without power. Factors that caused these events were high demand, failure to winterize generation resources, inability to import from neighboring interconnections, and a lack of resource adequacy programs. ERCOT is not connected to the western or eastern interconnections and this prevents Texas from importing energy from its neighbors. Mr. Robinson then outlined ways our region would be able to hold up in an extreme cold

snap, risks to our own power supply, risks facing our region, and how Tacoma Power could avoid similar blackouts. These include support for development of a regional resource adequacy program, continuation of the practice of investing in assets, and continuation of the practice of planning for extreme events.

Scott Dewhirst, Water Superintendent, then reported on the situation's effect on the water supply in Texas. Water is different from Power as utilities aren't interconnected, but independent. In Texas and other parts of the country, demand outstripped supply. Some utilities instructed customers to drip faucets in the cold water; this is minor, but when done by millions of people, it had an effect. Some areas that typically use 100 million gallons per day (mgd), are seeing 175 mgd due to main breaks. Pipes are pressurized and when pipes break, it gushes to keep impurities out. When there are multiple breaks, they get to the point where there is no more pressure; hence boil orders are given because impurities aren't pushed out. Also, power is a key component of water supply in that it is needed to treat and pump water. When there are wide-spread outages, everyone needs fuel and there's over demand; some of the water systems couldn't get fuel for their generators. Mr. Dewhirst emphasized preparedness and having 14 days of water ready. Tacoma Water continues to work with regional agencies to discuss regional responses. Advanced Metering can help by providing better systems surveillance.

Board Member Patterson remarked that TPU can learn from these incidences and the importance of keeping employees safe so that they can respond to emergencies. Director Flowers remarked that there will be many industry debriefs and lessons learned and they will be shared with the Board as appropriate.

#### Strategic Directive Six (SD6, Innovation) Report

Joe Tellez, CTO, defined 'innovation' as fresh thinking that creates value for communities; improved process, decision making, or ways of working; new products or services for customers; and significant positive change. Industry disruptions are prompting utility innovation. These include customer expectations, market shifts, decarbonization, renewables, cyber threats, and a changing work force. Mr. Tellez shared how other utilities are driving cultures of innovation. Heather Pennington, Water Division Manager, shared innovation examples for Water. These include a digital tool for field data collection, on-line water quality analyzer, digital safety audit tool, and customer call system modernization. Dan McCabe, Rail CFO/CIO, shared innovation examples for Rail. These include, cross-departmental virtualized incident command system, south intermodal yard lease agreement, and positive train control. Mr. Tellez shared TPU and Power examples which include home agents, predicative analytics, market research advances, electro-fuels retail tariff, electrification programs, digital signature adoption, advanced meter commercial exchanges via mobile tool, and mini-grid for disaster recovery and resiliency. Mr. Tellez concluded by informing the Board that staff will continue to adopt a metrics framework for tracking and reporting on this strategic directive.

#### Tacoma Power Strategic Plan

Chris Robinson, Power Superintendent, summarized the data and analysis used as a basis for the strategic plan. These include interviews and a SWOT analysis. Power's mission is 'we provide affordable and reliable electric services'; vision is 'be an equitable 21<sup>st</sup> century utility where employees want to grow and customers want to stay;

values are 'be safe always – learn and be curious – do the right thing even when it's hard – take care of things for future generations – rely and respect each other. Power's strategic goals are equity (advance understanding and application of equity through continual learning, honest reflection, and meaningful action), customers (better understanding and act upon the wants and needs of our customers), affordability (be wise stewards of resources to sustain affordability for our customers), resiliency (measurably improve ability to respond to physical and cyber disasters), employees (inspire and empower employees to do their best work and live their best lives), and the environment (lead efforts to restore a healthy planet through wise use of renewable energy and sustainable fish and wildlife programs). Board Members made positive remarks to the presentation.

### **Comments by the Board**

In response to an inquiry from Board Member Patterson concerning the origins of the June 30 work from home expiration date, Director Flowers stated this date was established at the end of last year. There were so many unknowns with the holidays and school season at that time. Staff is working with emergency management on a readiness scorecard and will continue to evaluate that date and any phased approaches. There is no certainty that on July 1 TPU will have a significant number of employees on campus, but perhaps a percentage of employees. As for customers in the lobby, staff is trying to anticipate a pre-emptive move to lessen demand in the queue by reaching out proactively to customers. Staff anticipates that the lobby system will most likely require appointments.

### **E. Adjournment**


There being no further business or comments, the Public Utility Board meeting was adjourned at 6:27 p.m. until March 10, 2021 at 3:00 p.m.

Approved:



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Bryan Flint, Chair



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Christine Cooley, Secretary