



APPROVED 4/14/21

MINUTES
City of Tacoma
Public Utility Special Board Meeting
March 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.

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.

Chair Flint announced that per RCW 35.94.040, a dedicated public hearing would be held for U-11244 (surplus of Mayfield power transformer) at the time the item is heard.

There was no public comment.

Regular Agenda

- C-1 Resolution U-11242– Award contracts and approve purchases:
1. Award three-year contract to Asplundh Tree Expert, LLC, for power line vegetation clearance crews (\$6,590,040, plus applicable taxes, plus a single, one-year renewal option for a projected contract amount of \$8,874,587.20, including a four percent escalation for the renewal option year) [Joe Parris, Contract Program Manager];
 2. Award contract to Midvale Signals, Inc., for the installation of active grade crossing signalization at two public railroad crossings along Marine View Drive (\$892,855.43, plus applicable taxes) [Kyle Kellem, Roadmaster];
 3. Award two-year contract to RailWorks Track Systems, Inc., for railroad grade crossing signal system maintenance and inspections (\$1,412,780, plus applicable

taxes. Includes option to renew for two, one-year periods for a projected cumulative contract amount of \$2,825,560, plus applicable taxes) [Kyle Kellem, Roadmaster].

4. Award two-year contract to Motorola Solutions, Inc., for equipment, software, licensing, services, and support to upgrade Tacoma Water's VHF radio system at the Headworks (\$1,226,508, plus applicable taxes, plus a system upgrade agreement and system maintenance services paid annually for an additional 12 years for a total of 14 years) [John Zwosta, Power Engineer].

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

In response to a Board inquiry regarding the equity in contracting waiver for item number two and if the subcontractors could be encouraged to meet equity requirements in the performance of their work, Kyle Kellem, Roadmaster, answered that conversation did occur with the vendor. In the vendor's response, they indicated that there were 'none at the time of bid', which staff inferred they intended on meeting this requirement. But, the policy doesn't allow for the goal to be met post-award, which is why the waiver is requested. Board Member Watson added that this is something to address when accepting bids in the future.

In response to a Board inquiry on item number one relating to utilizing local labor, Joe Parris, T&D Contract Manager, answered that crews that are local based on the contractor providing the work are used. When transitioning from one contractor to another, crews typically transition to the new contract and many are local to the area.

In response to a Board inquiry on items two and three relating to lights and barriers, Mr. Kellem answered that there will be no gates added as these are dead-end spurs making gates unnecessary.

In response to a Board inquiry on item number four regarding radio use in places other than the Headworks area, John Zwosta, Power Engineer, responded that this will be universal at TPU. The Headworks system is something TPU is going to leverage and the extended service at the Headworks gives more capabilities. The new system has new digital technology and has enhanced capabilities. The systems have the ability to transmit GPS location and we'll also leverage that for emergency response.

In response to a Board inquiry on item number one regarding to vegetation management around transmission lines, Mike Snider, T&D Arborist, answered that the contract includes vegetation management around these lines. Mr. Snider added that TPU has received the 2021 award for Tree Line USA and that will be brought before the Board at a future meeting. In response to a Board inquiry about the nexus to wildfire mitigation and the impact on reliability and insurance, Mr. Snider described the distribution feeder trimming and inspection schedules that are in compliance with all standards.

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

- C-2 Resolution U-11243 – A resolution to revise the implementation of the WorkForce Connect special project across Tacoma Power, Tacoma Water, and the City of Tacoma Environmental Services divisions to extend through December 31, 2021.

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

Tony Landrith, Assistant Section Manager, summarized the resolution. Through Resolution U-11057, a WorkForce Connect (WFC) Project as a special project of limited duration was established, through December 31, 2020, that included hiring six employees across Tacoma Power, Tacoma Water, and Environmental Services. Through U-11165, a revision was made to extend the WFC Special Project through June 30, 2021. The goal of the WFC Special Project was to replace the existing outdated platform and add new technology and processes, including providing laptops to field technicians with software installed that allows the capturing of information gathered on requests and once information is collected, it is integrated with back-office systems such as SAP. The current system, 15 years into the original implementation, and no longer supported by the vendor, provided the opportunity to move away from paper-based processes of collecting work details to electronic-based tools. WFC Special Project will replace the existing legacy field solution that is utilized across to address a system that has reached the end of life, and extend vendor support, increase the number of end users, and extend and improve system functionality. Resolution U-11165 approved the decision to move the go-live date to March 2021 with a final project close in June 2021 and a decision was made to incorporate Advanced Meter requirements into the WFC scope to further enable Power and Water devices to communicate, exchange and remove related information in near real-time to the TPU central and host system. A decision has also been made to move the go-live date to August 2021 with a final close-out expected to be completed in December 2021. Authorization by this resolution will enable the participating organizations and staff to fully participate in appropriate phases of the project with technology and business subject matter experts.

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

C-3 Resolution U-11244 - Approve declaration of surplus of the Mayfield power transformers no longer needed for Tacoma Power's current or future needs and authorize the sale of equipment to the highest responsive bidder (Per RCW 35.94.040, a public hearing on declaration of surplus will be held). [Sean Veley, Power Supervisor].

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

Sean Veley, Power Supervisor, summarized the resolution. Tacoma Power originally acquired the Mayfield Power House transformers and has determined that the equipment listed is no longer necessary for providing continued public utility service due to age and mechanical conditions and is deemed surplus to Tacoma Power's needs pursuant to RCW 35.94.040 and TMC 1.06.272-278. The estimated value of the Mayfield Power House Transformers is \$40,000. In response to a Board inquiry about the timing of the surplus and replacement, Mr. Veley responded that in order to coordinate with the surplus contractor, it will go out for bid. Due to removal complications, Power will want to have a contractor to evaluate the site plan to make sure removal coordination can work with the delivery of the new transformers. Power will keep the old ones until confident the new ones are tested; they won't go to surplus before then. Power anticipates the contractor will use the old transformer for metal recycling.

Prior to voting, Chair Flint opened a public hearing in accordance with RCW 35.94.040 on this item. There was no public comment and the public comment period was closed.

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

C-4 Resolution U-11245 – Authorize Tacoma Power’s updated new service fees for the electrical services new services work group with the 2021 fees to become effective May 1, 2021 and subsequent years’ fees to become effective April 1 of 2022, 2023, and 2024.

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

Board Member Patterson moved to amend the proposed resolution by substituting the attachment for an updated Electrical Services’ new service fee table with a corrected fee table that has been provided to the Board and is on the website. The original attachment was found to have two ‘fee codes’ and associated ‘fee descriptions’ transposed; seconded by Ms. Cooley. Voice vote to enter the substitute attachment taken and carried.

Christina Leinneweber, Sr. Utilities Economist, summarized the resolution. Fees were late updated in 2009 and since that time, labor and material prices have increased. Instead of a one-step increase, it is proposed that the fees are phased in yearly by increasing the fees in the same dollar amount until a target fee level is reached over four years, beginning May 1, 2021 and each year thereafter on April 1 of 2022, 2023, and 2024. In addition, the fees will be published on the website and will be incorporated into the customer service policies. Ms. Leinneweber also shared a chart outlining all of the fee updates. In response to a Board inquiry about the applicability of these new fees to accessory dwelling units, John Martinson, Power Supervisor, stated that yes, most of these units are connected by underground or overhead methods and those are flat rate items to which these fees apply.

Voice vote was taken and carried. The resolution with substitute attachment was adopted.

C-5 Resolution U-11246 – A resolution to authorize Tacoma Power to revise terms, conditions, and rates for the Open Access Transmission Tariff effective May 1, 2021.

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

Marc Donaldson, Power Engineer, summarized the resolution. Tacoma Power’s Open Access Transmission Tariff (OATT) was last updated and approved through Resolution U-10537. At that time, the transmission and ancillary services rates were based on 2009 cost data. Tacoma Power again has need to update its OATT. First, the rates have been updated using 2019 cost information. Second, changes are needed to the terms and conditions to accommodate Tacoma Power’s joining the Western Energy Imbalance Market, which will occur in March 2022. Tacoma Power is requesting the Board to approve and authorize the updated OATT and associated rates, to be effective May 1, 2021. Tacoma Power’s OATT defines the terms, conditions, and rates under which wholesale transmission service is provided to transmission customers. Currently, there

are two active customers under the OATT: Bonneville Power Administration (BPA) and Avangrid Renewables, LLC (Avangrid). BPA uses Tacoma Power's transmission system to deliver power to ten of BPA's customers that are connected to Tacoma Power's system. These BPA customers, generally referred to as the Pierce County Mutuals, make up about 25 percent of the Tacoma Power transmission system load. The current agreements have a term through September 2028. Avangrid uses the transmission system to deliver power generated at WestRock's biomass generating unit to the BPA transmission system. The transmission service agreement used for this purpose expires July 2021. The current OATT was approved by the Board in 2012 through Resolution U-10537. At that time, the rates, as well as the terms and conditions, were updated. The rates were based on 2009 cost information. The terms and conditions were updated to bring the OATT more in-line with the Federal Energy Regulatory Commission (FERC) *pro forma* OATT established with the issuance of FERC Order No. 888.

In response to a Board inquiry about the ability to set up new transmission customers interested in the Energy Imbalance Market to access our system, Mr. Donaldson stated that this accommodates the two customers connected today, but will also allow for new generators or wholesalers to join and we can pass along costs. In response to a Board inquiry regarding any input by WestRock, Mr. Donaldson stated that WestRock hasn't provided input as their contract expires in July and they're working to determine next steps. In response to a Board inquiry regarding mid-term rate corrections, Mr. Donaldson explained that yes, as rates change, the customers' payment will also adjust. Ms. Leineweber added clarification, these rates are built off the cost of service building blocks. This OATT process takes just the transmission pieces of those and seeks to allocate them between what Tacoma is using and what is sued for the other customers and the fundamental concept behind the OATT is that we're charging the other customers using the transmission system the same thing we would charge ourselves if we were buying transmission for ourselves.

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

D. Reports of the Director

Covid-19 Update

Director Flowers shared that earlier this week, the state advanced to Phase 3. Phase 3 guidelines from the Governor's new Healthy Washington plan are slightly different from the original Safe Start plan his office rolled out in 2020. In the previous Phase 3 of Safe Start, some of our operations would have restarted. So there will not be a change in operating protocols at this time. Under the updated plan, counties will be individually evaluated every three weeks. The first evaluation is scheduled for April 12. At that time, it could be determined that Pierce County would need to roll back to Phase 2, depending on how new infection rates and other data is trending. However, at this time we are not reopening any buildings to the public until a plan is in place and we feel confident Pierce County will not go back to Phase 2. If Pierce County continues in the new Phase 3 of the Healthy Washington plan, we will evaluate what makes sense for the timing of reopening our buildings to the public, especially with the knowledge that the vaccine will be broadly available starting May 1 and that employees who can telework will continue to do so through at least June 28. One of the main reasons we mandated telework for employees who are able to work remotely is to minimize employee-to-employee spread of the virus, especially for our continuity staff and those of our workforce who are not

able to telework. By having those of us who can work from home stay out of the buildings, we minimize exposure for those critical roles that continue to report to a work site, especially as the vaccine is still only available to high risk members of the community. Right now, holding a vaccine clinic at the City is not part of the vaccine distribution plan for the Department of Health, and we will update staff if that changes as we move forward. While vaccination continues to be focused on at risk members of the public, construction was added to the priority list on March 31. We will be holding conversations with the Health Department to review potential eligibility of our continuity field staff. Until further notice, we ask that employees who continue to report to a job site wear face coverings and maintain physical distance.

Steve Hatcher, Customer Services Manager, provided an update on funding. Pierce County Human Services is operating a rental and utility assistance program for the entire County in concert with the City of Tacoma. They have \$57M in funds and those are targeted for rental and utility assistance. The American Rescue Plan Act funds have not arrived yet and we don't know the administration process around that. Pierce County has extensive website with a complete Q&A on it; it is also multi-lingual; 211 can also be called. Pierce County has partnered with nine community agencies that qualify applicants and process applications. This is not a TPU program; staff will partner with the marketing/communication office and they'll conduct the communications campaign to customers. Customer Service also has an agency portal which will allow the nine agencies to get information on customers who applied for assistance and once the agencies have completed the applications and approved funding, the money will come through the portal. In response to Board inquiries about tracking funding and pledges, Mr. Hatcher stated that TPU will be able to track pledges and he'll try to obtain additional information from the County on funds remaining and how much would be coming to TPU. Board Members made positive remarks about this.

Strategic Directive Seven (SD7) on Reliability/Resiliency

This presentation was led by Courtney Rose, Emergency Manager with input from Jayson Lelli, Management Analyst; Michael Washington, Principal Engineer; Dale King, Rail Superintendent, who spoke to their respective sections. The team walked through each measurement of SD7 and provided an update. Mr. Washington outlined a proposed amendment for Water to align with the resource adequacy standard in the 2018 Water Integrated Resource Plan. This will be discussed at a future Board meeting. Ms. Rose then reviewed customer satisfaction levels on Power and Water's reliability and also summarized challenges and barriers brought on by the pandemic and staffing constraints. Ms. Rose concluded by outlining 2021 priorities which include the hiring of an additional emergency manager; emergency preparedness for employees and customers; TPU continuity of operation plan/all hazards; and incident command training. In response to a Board inquiry regarding the inclusion of lahars in planning, Mr. Lelli answered that lahars are integrated into the Nisqually and Cowlitz emergency action plans. Tests with South Sound 911 are conducted and a siren at Alder Lake Park for lahars in the Nisqually River based have been added.

Insurance Update

Jim Sant, Deputy Director for Administration, provided an overview of insurance for TPU. Current coverages are property and casualty; Rail rolling stock; Public officials and employment practices; excess liability for Power and Water; and Rail liability. Ken Clark, Risk Manager, outlined the insurance status for each of these. Kim Wilson of

Brown & Brown Insurance, then summarized the insurance marketplace, trends, insurance market factors affecting municipalities, and market impacts on TPU insurance. These include pricing, deductibles, coverage terms, limits/exclusions, and insurance underwriting scrutiny.

Comments by the Board

There were no additional Board comments.

Dale King announced that the newly refurbished locomotive arrived at Rail;, the first new car in five years and thanked Board Member Watson for his support in this project.

E. Executive Session

Board Member Patterson moved to convene an executive session at 5:35 p.m. not to exceed 60 minutes to discuss potential litigation per RCW 42.30.110(1)(i); seconded by Ms. Cooley. Voice vote taken and carried.

Chair Flint announced that there would be no further business after the executive session 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 6:07 p.m.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 6:07 p.m. until April 14, 2021 at 3:00 p.m.

Approved:



Bryan Flint, Chair



Christine Cooley, Secretary