



APPROVED 5/11/22

MINUTES
City of Tacoma
Public Utility Board Meeting
April 27, 2022
6:30 p.m.

Chair Patterson called the Public Utility Board meeting to order at 6:30 p.m.

Present: Mark Patterson, Chrissy Cooley (left 7:07), John O'Loughlin, Carlos Watson, Holland Cohen

The meeting was quorate.

Minutes of the Previous Meetings

Ms. Cooley moved that the minutes of the previous meetings be adopted; seconded by Ms. Cohen. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

There were no comments by the public.

Regular Agenda

C-1 Resolution U-11316– Award contracts and approve purchases:

1. Increase contract to Advanta (formerly Omnetric Corp) for on-call technical resources for continued support to the Advanced Meter operations team through production issues and improvements (\$150,000. Cumulative total \$1,836,343) [Andre Peddeferri, AMI Program Mgr].

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

In response to a Board inquiry regarding the supply chain issue, Andre Peddeferri, AMI Program Manager stated that these issues may extend the AMI project end date to the second quarter of 2023. Staff is working closely with vendors and manufacturers to expedite production of meters.

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

C-2 Resolution U-11317 – Authorize execution of a master interagency agreement for Tacoma Power and the Washington Department of Fish and Wildlife to operate and evaluate fish hatcheries and programs as mitigation for Tacoma Power's hydroelectric projects as required by the Federal Energy Regulatory Commission

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

Matt Bleich, Natural Resources Manager, summarized the resolution. Tacoma Power requests the authorization of a master interagency agreement for activities such as the hatchery operations at Tacoma's Cushman and Cowlitz Hydroelectric Projects, as well as Cushman and Cowlitz River monitoring and evaluation activities, which includes Tacoma's Cowlitz Falls Fish Facilities, kokanee plants into Alder Lake and other trout stocking activities, to be conducted under contract by the Washington Department of Fish and Wildlife (WDFW) totaling \$22.35 million from July 2022 through June 2025. This funding will fulfill Federal Energy Regulatory Commission (FERC) license requirements to operate and evaluate the hatcheries, to monitor the salmonid recovery plan in the Cowlitz River, and other activities at the Cushman and Nisqually Projects as mitigation for Tacoma Power's hydroelectric projects. A majority of the work covered by this agreement is related to WDFW's operation of the Cowlitz trout and salmon hatcheries, facilities that grow roughly eight million juvenile salmon and steelhead annually to meet Tacoma Power's Cowlitz fish production obligation, and staff recommend continuing this relation at this time to minimize risk to fish health and Tacoma's ability to meet FERC license requirements. Since 2015, the master agreement has utilized an annual task order format with a separate task order budget and schedule of deliverables for specific activities which allows Tacoma Power to successfully and efficiently negotiate annual task orders with WDFW, and results in greater accountability and clarity between Tacoma and WDFW and has allowed the program to adjust to the changing conditions associated with fisheries programs and budgets.

In response to a Board inquiry on how the contract set up is working for all parties, Eric Shoblom, Natural Resources Specialist, stated that the way the payments are set up annually provides the opportunity to negotiate task orders on a task-by-task basis each year. This allows staff to analyze costs without looking at the large multi-year contract price. The budget can be set annually and that is helpful with the inflation and supply chain issues; the flexibility has been a success.

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

C-3 Resolution U-11318 – Authorize Tacoma Power to enter into a utility installation agreement/short-term service with Amazon.com Services, LLC for the design and installation of electric service facilities for an Amazon cold storage facility in Spanaway, Washington

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

Aba Frimpong, Power Engineer summarized the resolution. Amazon is leasing and developing a cold-storage warehouse to support Amazon's grocery delivery business. This project is projected to consume up to 10MWs of power at peak and is projected to consume approximately 3MWs of power on average and the proposed utility installation agreement is required in order to install the equipment and facilities necessary, in the short term to allow for the warehouse to operate at full capacity until a substation can be constructed. The Amazon project will be completed in two phases, the first phase, the proposed utility installation agreement for short-term service, and the second phase, a future utility installation agreement for a customer funded substation and the customer

funded substation will provide service beyond the short term service period. The first phase utility installation agreement for short-term service will be 100 percent customer funded with a deposit of \$2,432,000 and the deposit includes the estimated project cost plus a contingency that allows Amazon to allocate an approved project cost while still allowing the project to move forward in the event of incurred costs over the initial estimate.

In response to a Board inquiry about whether or not the substation will be new or an upgrade, Ms. Frimpong answered that it will be a new substation built on Amazon's development site.

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

D. Reports of the Director

Covid

Director Flowers reported that with the court decision to void the mask mandate for public transportation, Rail received clarification from the Federal Railroad Administration that they will no longer enforce masking.

Employees who plan to work in the office three or more days per week started returning to their office location last April 18; there will be a phased process over the next five months.

Dunning in Customer Service resumed in SAP. As planned, 7,634 warning notices and 1,268 disconnection notices were mailed on April 26. Disconnections are scheduled to resume on May 9. The disconnection notices represent \$188,919 in past due deposits and the warning notices represent \$2,914,079 in all other past due charges not on an installment plan. The first mailing of disconnection notices was for delinquent deposit customers only. Deposits were intentionally excluded from 24-month automatic installment plans due to them being refund eligible at 12 months. In addition to the notice, a letter was included that provided customers the option to roll these deposits into their installment plan. Deposits are requested at the time accounts open when there is a payment risk. To date, no payments have been received on these accounts. While 1,268 is a small subset of customers needing help, Customer Services is preparing for the likelihood that they will be unable to connect them with assistance as there has been limited to no engagement since these accounts opened. Customer Services also designated 18,699 closed, but unpaid accounts totaling \$8,089,193, to be eligible for collections recovery. These represent all the accounts that were closed, with outstanding balances, during the moratorium. Customer Services has begun internal discussions regarding when collections should resume.

TPU continues to be plagued by supply chain issues. While TPU has predominately focused on supply chain of the AML meters, there are others that will be reported on in future budget discussions. Staff continues to closely monitor meter inventory, and will continue with power and water meter deployments through this next quarter. Staff anticipates there will be a gap in supply of electric meters for the last half of this year into 2023 and are assessing project impacts and options at this time. Staff continues to have active conversations with the meter vendor, as well as conversations with the congressional delegation on supply chain concerns.

The enhanced MyAccount went live on April 14. In the last 13 days, Customer Services has seen 12,444 Paperless bill enrollments. To compare, there were 1,468 total paperless bill enrollments from January 1 to April 13, 2022. Total paperless billing enrollments in 2021 were 5,283; 77,404 migrated users have logged in; 871 brand new user registrations; and there have been 22,413 payment transactions.

The next upgrade to MyAccount is scheduled for release by the end of the third quarter and will include PrePay (for electric AMI customers) and the ability for customers to make donations to utility customers in need of assistance.

Strategic Directive Eight (SD8, Telecom) Update

Joe Wilson, T&D Manager, provided history and background of the evolution to what was Click! and is currently an Indefeasible Right to Use (IRU) with Rainier Connect. Tacoma Power installed fiber for power system operation. The lease of this excess fiber is what is part of the IRU. Neither Click! nor the IRU set broadband rates in this competitive industry and television rates are not set in the IRU. Sharon Brophy, Power Supervisor, outlined the top three policy goals as determined by stakeholders: 1) public ownership of the network; 2) preserving competition; 3) affordability. Ms. Brophy then reviewed each measurement in Strategic Directive Eight (SD8, Telecom) and the current status. The status of the customer service commitments in the IRU and the status were also reviewed. Brian Haynes, CEO of Rainier Connect, made positive remarks about the IRU and shared that he is looking forward to driving better broadband in the region, growing the network, and continuing this partnership. Mr. Haynes shared that he has no intention of disconnecting the student connect program; there is no sunset on that.

E. Comments by the Board

Board Member Watson expressed appreciation to Steve Hatcher for all of his work at TPU and wished him well in his retirement.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:40 p.m. until Wednesday, May 11, 2022 for a study session at 3:00 p.m. followed by a regular meeting at 6:30 p.m.

Approved:



Mark Patterson, Chair



Carlos Watson, Secretary