



APPROVED 7/26/23

MINUTES
City of Tacoma
Public Utility Board Meeting
July 12, 2023
6:30 p.m.

Mr. Watson called the Public Utility Board meeting to order at 6:30 p.m.

Present: William Bridges; Elly Claus-McGahan; Carlos Watson; John O’Loughlin

Minutes of the Previous Meetings

Mr. O’Loughlin moved that the minutes of the previous meetings be adopted; seconded by Mr. Bridges. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

There were no comments by the public.

Recognitions

Holland Cohen submitted her resignation as a Board Member. Board Members made positive remarks about her contributions to TPU and for her service to the community.

Regular Agenda

C-1 Motion 23-04 – In accordance with Governance Process Three, Section One, Election of Officers, of the Public Utility Board Governance Processes, that Carlos Watson, John O’Loughlin, and Holland Cohen be nominated and elected as Chair, Vice-Chair, and Secretary respectively.

Mr. O’Loughlin moved to amend the motion by striking ‘Holland Cohen’ and replacing it with ‘William Bridges’; seconded by Mr. Bridges. Voice vote to amend the motion taken and carried. There was no public comment. Voice vote to pass the amended motion was taken and carried.

C-2 Resolution U-11392– Award contracts and approve purchases:

1. Increase contract to Print NW for printing and binding services on an as-needed basis (\$2,000,000, plus applicable taxes. Cumulative total \$6,500,000, plus applicable taxes) [Patsy Best, Procurement and Payables Division Mgr];
2. Increase contract to Asphalt Patch Systems, Inc., for asphalt and concrete patching services (\$1,000,000, plus applicable taxes. Cumulative total \$5,702,989.32, plus applicable taxes) [Patsy Best, Procurement and Payables Division Mgr];
3. Award contract to Brother’s Trucking LLC and Waste Management Disposal Services for water treatment residual cake hauling (\$220,000 and \$36,000

respectively, plus applicable taxes. Includes option to renew for three one-year terms for a projected combined cumulative total of \$895,000) [Jessica Knickerbocker, Water Division Mgr].

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

In response to a Board request for additional information on item number three regarding disposal options, Gary Fox, Civil Engineer, explained that the byproduct contains silt, organics, and other chemicals from the filtration process and is trucked off site and taken to a landfill. The contents are not hazardous but are deemed special waste because they require special permitting and monitoring. Work has been done with University of Washington Tacoma to see if there is usefulness in bioretention facilities or have a stormwater retention application. Co-mingling the byproduct with Tagro in the future has also been discussed.

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

C-2 Resolution U-11393 – Authorize execution of a collective bargaining agreement as negotiated with the Professional and Technical Employees, Local 17, effective January 1, 2023 through December 31, 2026

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Dylan Carlson, Labor Relations Manager, summarized the resolution. The City of Tacoma and the Professional & Technical Engineers, Local 17 have negotiated a proposed agreement. The agreement covers approximately 281 full-time equivalent employees (FTE) with 95 FTEs located at TPU. The agreement is for a four-year term, effective January 1, 2023, through December 31, 2026, and provides for a general wage increase each year. Effective retroactive to January 1, 2023, a general wage increase of 2.5 percent will be provided; effective January 1, 2024, and January 1, 2025, a general wage increase of 2.75 percent will be provided; and effective January 1, 2026, a general wage increase of 3 percent will be provided. In addition to general wage increase, market-based wage adjustments will be provided by classifications outlined in the supporting documentation and resolution. Other changes to the agreement include: increasing the number of pay steps in the pay range for Solid Waste Supervisor from one to three steps, decreasing the number of steps in the range for the classification of Wastewater Treatment Plant Operations Supervisor from five steps to four, providing for an application of rate of 3 percent for the classification of Painter Crew Leader, when working in a confined space, and removing the classification of Sewer Transmission Maintenance Coordinator from the bargaining unit. The agreement also makes updates to the language in Section 11.3 regarding callouts in snow and/or ice events in Public Works, Street Maintenance; clarifies language in Section 11.6 regarding callouts and stand-by assignments; provides for an increase to annual clothing and footwear allowances; and the movement of existing language from letters of agreement into the body of the agreement.

In response to a Board inquiry regarding the increase for Real Estate Specialist, Mr. Carlson explained that comparators showed that the position was twenty percent behind market.

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

- C-3 Resolution U-11394 – Authorize Tacoma Power to accept a Congressionally directed spending award of \$1,000,000 to fund Community Electric Vehicle (EV) Charging incentives for business and multifamily property owners in Tacoma Power’s service territory

Mr. O’Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Cam LeHouillier, Energy Portfolio Services Mgr, summarized the resolution. The FY2022 Consolidated Appropriations Act (P.L. 117-103), signed into law on March 15, 2022, included \$1,000,000 in funding for TPU Electric Vehicle (EV) charging program. The Congressionally Directed Spending Award will bridge the gap between the funds received via the Supplemental Environmental Project Program credit revenue anticipated funding programs in the future. Previous funding was limited to the Tacoma City limits and Tacoma Power desires to reach customers more broadly in its service area. The Congressionally Directed Spending Award will provide incentives for businesses’ customers who wish to provide Level 2 EV charging for the public, condo associations, and multifamily property owners who wish to include shared EV charging as an amenity for residents. The Congressionally Directed Spending Award increases incentives for network connected projects in our priority areas, those indicated as very low to low opportunity on the Pierce County Equity Index Map. All projects qualify for up to \$10,000, in utility charging infrastructure upgrades and projects seeking non-networked EVSE, qualify for \$2,000 per port (4 ports maximum) up to \$15,000, which includes a reduced upgrade cap of \$7,000.

In response to Board inquiries, Mr. LeHouillier explained the following. Customers are allowed to select their own EV charging equipment. Staff does refer customers to the State Department of Enterprise services as they have a contract that identifies EV supply equipment vendors. Staff also examines the customer’s application and provides advice. Most chargers are manufactured in the U.S., some in Canada. Power demand/supply will be an issue in the future, but this grant covers level two chargers and staff helps multi-family units with their load increase and effects on demand charges. There is no immediate need for distribution equipment updates; staff monitors the issue closely. EV charging does not use time of use rates.

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

- C-4 Resolution U-11395 – Authorize Tacoma Water to issue the 2023 Regional Water Supply System (RWSS) Revenue Refunding Bonds in an amount not to exceed \$40,850,000, in order to refund the 2013 Regional Water Supply System Revenue Refunding Bonds, and to amend the RWSS repayment agreement.

Mr. O’Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Lyna Vo, Sr. Economist, summarized the resolution. This resolution is to refund the 2013 RWSS and to amend the RWSS repayment agreement. Due to volatility of the current interest rate environment, Tacoma Water recommends the Board approve the

resolution to allow staff to act quickly when the market is favorable and maximize savings. These bonds were issued to support the addition of the Second Supply Project, the Green River Filtration Facility, and other RWSS infrastructure projects. This refunding will provide savings, restructure debt service payments, and/or obtain more favorable bond covenants in the best interest of Tacoma Water and its rate payers.

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

C-5 Resolution U-11396 – Authorize Tacoma Water to refund the 2005 Water System Revenue and Refunding Bonds in the amount of \$5,000, and the issuance of the 2023 Water System Revenue Refunding Bonds in an amount not to exceed \$75,000,000, in order to refund the 2013 Water System Revenue and Refunding Bonds.

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Lyna Vo, Sr. Economist, summarized the resolution. Due to volatility of the current interest rate environment, Tacoma Water recommends the Board approve the resolution to allow staff to act quickly when the market is favorable and maximize savings. These bonds were issued to support the addition of the Second Supply Project, the Green River Filtration Facility, and the other Tacoma Water infrastructure projects. This refunding will provide savings, restructure debt service payment, and/or obtain more favorable bond covenants in the best interest of Tacoma Water and its rate payers.

Mr. O'Loughlin commented that the Board received detailed presentations on these two Water bond issues at a study session.

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

E. Reports of the Director

Francine Artis, Interim Customer Service Manager, reported on the final distribution of additional covid relief dollars (\$3.8M from the Department of Commerce) to closed accounts with balances from the pandemic. Board Members made positive remarks about the work Customer Services has done with this fund distribution.

Strategic Directive Nine (SD9, Economic Development) Update

Michael Catsi, Economic Development Manager, provided background and framed the goals of economic development. Mr. Catsi then summarized 2022 accomplishments. Pierce County continues to be attractive to new businesses; however, the pace of new development continues to be inconsistent. Staff continued to work closely with partners to ensure timely and accurate information for prospects and expansions including manufacturing, logistics, and green hydrogen. In 2023 staff will continue to focus on business retention and expansion efforts. TPU will monitor and identify trends that may require changes to economic development efforts. There will be continued engagement with the land use planning process as needed. Constraints on economic development were summarized. These include lack of right-sized industrial real estate, ongoing supply chain issues, power infrastructure capacity, and workforce recruitment issues. The 2022 accomplishments, 2023 focus, and status for each of the directive's measurements for each of the operating divisions were then summarized.

F. Comments by the Board

There were no final comments by the Board.

G. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:57 p.m. until Wednesday, July 26, 2023, for a study session at 3:00 p.m., followed by a regular meeting at 6:30 p.m.

Approved:



Carlos Watson, Chair



William Bridges