



APPROVED 1/10/24

MINUTES
City of Tacoma
Public Utility Board Meeting
December 13, 2023
6:30 p.m.

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

Present: Carlos Watson; Elly Claus-McGahan; John O'Loughlin; Anita Gallagher; William Bridges

Minutes of the Previous Meetings

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

Comments by the Public

There were no comments by the public.

Recognitions

Mike Hill, Assistant Customer Services, presented the Board with the Best Municipal IVR (Interactive Voice Response) award from the IVR Doctors.

Lis Saunders, Customer Energy Programs Manager, presented the Board with the Northwest Energy Efficiency Alliance 2023 Leadership in Energy Efficiency Award (for the income qualified rental program).

Christina Turner, Social Responsibility Manager, presented the Board TPU 2023 United Way Campaign recap. TPU employees raised \$163,544.00 for the United Way in this year's campaign.

Board Members made positive remarks about all these recognitions.

Regular Agenda

D-1 Resolution U-11422– A resolution to award certain contracts and approve certain purchases:

1. Increase contract to Mi-Tech Services, Inc., for wood pole inspection, treatment, and reinforcement (\$1,000,000, plus applicable taxes. Cumulative total \$2,100,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
2. Increase contract to K&D Services, Inc.. for traffic control planning and flagging services (\$200,000, plus applicable taxes. Cumulative total \$700,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
3. Increase and extend contract to Amplify Consulting Partners, Inc., to sustain organizational capacity to execute data, technology, analytics, and process-related projects for an additional two years for a contract end date of December

31, 2026 (\$200,000, plus applicable taxes. Cumulative total \$675,000, plus applicable taxes) [Sean Senescall, Water Section Manager/Business Services].

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

In response to a Board inquiry relating to equity and sustainability applicability in the RFP, Erica Pierce, Sr. Business Services Analyst, explained that these standards are adopted early in the specification development. Equity in Contracting (EIC) reviews are done prior to posting to see if a goal is applicable. EIC goals don't apply to materials currently. Also, preferred practices for sustainability are referenced, but aren't always applicable, i.e., requests for bids are at the lowest prices. For these contracts, the scopes of work don't lend themselves to these standards as EIC is more applicable to construction materials.

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

D-2 Resolution U-11423 – A resolution adopting an updated version of Public Utility Board Guiding Principle Two on Financial Sustainability, previously adopted by Resolution U-11099 on August 28, 2019.

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

Board Member O'Loughlin stated that all changes were discussed in Board study sessions. Mr. O'Loughlin expressed appreciation for the opportunity to interact with a broad cross section of staff on this GP.

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

D-3 Resolution U-11424 – A resolution adopting an updated version of Public Utility Board Guiding Principle Three on Rates, previously adopted by Resolution U-11099 on August 28, 2019.

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

Board Member Claus-McGahan moved to amend the proposed GP3 to include the language 'environmental sensitive' in Outcome 1 so that it reads "Utility rates at the lowest levels reasonably sufficient to sustain safe, reliable, and environmentally-sensitive utility operations, achieve goals in Operating, Capital, and Strategic Plans, and meet liquidity and debt service coverage requirements, as defined in the Rate and Financial Policies, over the near and long term, and to correct a scrivener's error in the resolution number; seconded by Mr. Bridges. Voice vote to amend the motion taken and carried; there was no public comment. Chair Watson moved to adopt the GP as amended; seconded by Mr. Bridges. Mr. O'Loughlin stated that this update was the combined effort of many doing this good work and that this was discussed in detail at study sessions. There were no public comments.

Voice vote was taken and carried. The resolution with the amended GP was adopted.

D-4 Resolution U-11425 – A resolution adopting an updated version of Public Utility Board Guiding Principle Five that merges the previously adopted Guiding Principles Five and Eleven into one Guiding Principle and renames it Guiding Principle Five on Environmental Sustainability; Guiding Principle Five was previously adopted by Resolution U-11131 on January 8, 2020 and Guiding Principle Eleven was previously adopted by Resolution U-11193 on September 9, 2020.

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

Board Member Claus-McGahan made positive remarks about the process and outcome of this GP re-write.

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

D-5 Resolution U-11426 – A resolution declaring certain utility equipment surplus to the needs of Tacoma Power; conducting a public hearing on the proposed sale of the surplus utility equipment; and authorizing Tacoma Power to see the surplus utility equipment to the highest responsive bidder(s) at the bid sale(s)

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

Sean Velez, Sr. Power Field Operations Supervisor, summarized the resolution. Tacoma Power originally acquired for public utility purposes 456 pole and pad mount transformers, as listed on the declaration of surplus property that is on file with the Clerk of the Board and Tacoma Power has determined that the equipment listed on the declaration of surplus property is no longer necessary for providing continued public utility service due to age, reliability and damage, and is deemed surplus to Tacoma Power's needs pursuant to the applicable provisions in RCW 35.94.040 and TMC 1.06.272-278. The equipment has an estimated resale value of \$150,000.

In accordance with RCW 35.94.040 and TMC 1.06.272-278, a public hearing was held. There were no public comments.

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

D-6 Resolution U-11427 – A resolution authorizing Tacoma Rail to enter into loan agreement RRB-1296 with the Washington State Department of Transportation for the purpose of upgrading six track switches located on the Blair Peninsula

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

Kyle Kellem, Roadmaster, summarized the resolution. Tacoma Rail has applied for and received \$408,000 in financial assistance from the Washington State Department of Transportation (WSDOT) for the purpose of upgrading six track switches located on the Blair Peninsula through Loan Agreement RRB-1296. Loan Agreement RRB-1296 requires Tacoma Rail to contribute \$399,877, in matching funds toward completion of the project, is for a ten-year term, requires annual payments of \$40,800, beginning on August 1, 2025, and includes an \$8,000 administrative fee.

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

D-7 Resolution U-11428 – A resolution authorizing Tacoma Rail to enter into loan agreement RRB-1297 with the Washington State Department of Transportation for the purpose of upgrading two heavily used tracks connected to the North and South Intermodal Yards

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

Kyle Kellem, Roadmaster, summarized the resolution. Tacoma Rail has applied for and received \$1,622,000 in financial assistance from the Washington State Department of Transportation (WSDOT) for the purpose of upgrading two heavily used tracks connected to the North and South Intermodal Yards through Loan Agreement RRB-1297. Loan agreement RRB-1297 requires Tacoma Rail to contribute \$1,118,625, in matching funds toward completion of the project, is for a ten-year term, requires annual payments of \$162,000, beginning on December 1, 2025, and includes a \$32,000 administrative fee.

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

H. Reports of the Director

Director Flowers reported on the resolution of two issues brought up at recent public comments having to do with employees.

I. Final Comments by the Board

Mr. O'Loughlin wished all a happy holiday.

J. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:15 p.m. until Wednesday, January 10, 2024, 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