



Approved 10-27-21

MINUTES
City of Tacoma
Public Utility Special Board Meeting
October 13, 2021
3:00 p.m.

Chair Patterson called the Public Utility Board meeting to order at 3:00 p.m.

Present: Mark Patterson, Chrissy Cooley, Carlos Watson, Joe Bushnell, 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 Mr. Watson. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

Ms. Cooley 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 Mr. Watson. Voice vote was taken and carried.

Kit Burns made public comment in opposition of the Advanced Metering Program and the calculations methods used to determine costs of the program.

Regular Agenda

C-1 Resolution U-11281 - Award contracts and approve purchases:

1. Increase and extend contract to The Lamar Company, LLC for outdoor poster advertising (\$110,600; Cumulative total \$540,635.70, plus applicable taxes)

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

In response to a Board inquiry regarding renewing the contract with the same vendor, Julie Sallenbach, Community Relations Officer, explained that this vendor is the sole source for outdoor poster panels.

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

C-2 Motion 21-10 –That the Chair be authorized to send a letter on behalf of the Board to the City Council concerning the proposed Tideflats non-interim ordinance as set forth in the materials on file with the Clerk of the Board.

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

LaTasha Wortham, Regional Relations Manager, summarized the motion. As background, on October 20, 2020, the Council approved a six-month extension of the Tideflats Interim Regulations. The Ordinance was amended to direct the Planning Commission to begin a process to review and recommend a new "non-interim" ordinance by April 2021. On April 7, 2021, the Planning Commission forwarded its findings to the Council for consideration. On May 18, 2021, the Council adopted Ordinance No. 28759, which extended the Interim Regulations for an additional 6-months. In addition, the Ordinance referred the Planning Commission's proposed Non-Interim Regulations to the Council Infrastructure, Planning, and Sustainability Committee for review and recommendation to the full Council no later than August 31, 2021. On June 9, 2021 the Board voted to send a letter to the Council regarding the Planning Commission's recommendations. The letter did not take a position on the recommended ordinance, but conveyed information on areas of impacts to TPU policies and strategic directives; including advocating for hydropower to be recognized as a 98 percent carbon free clean power source, recommending a clearer definition of "renewable fuels", and reiterating TPU's commitment to protecting the environment and ensuring a sustainable economy that ensure equity. In addition, it offered staff subject matter experts who could provide assistance and information relating to these issues. During the IPS review process, committee members gathered information from many stakeholder, including TPU subject matter experts who worked closely with the IPS committee to ensure recommendations were considered and understood. On August 31, 2021 IPS Chair McCarthy sent to the full Council seven proposed amendments to the Planning Commission's Non-interim Regulation recommendations. We are pleased that TPU's recommendations are reflected in the proposed amendments from IPS. All items that were requested in the Board's June letter to the Council are addressed in the amendments. For that reason the Board has for consideration today, a letter thanking the IPS and Council for their work and welcoming TPU staff expertise to better understand complex issues. The public hearing on IPS Committee's recommendation was held on October 5. At the October 12 Council study session, city staff reported back to the Council after hearing the public. The goal is to have the vote regarding the Non-interim Regulations by December, however consultation with the Tribe is necessary before moving forward with a vote. Board Members expressed appreciation to staff for their work on this matter and made positive remarks about benefits in that it has positive effects not only on the environment with the recognition of hydro/green hydro, but also to economic development to the region.

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

Tacoma Water

C-3 Resolution U-11282 – Authorize Tacoma Water to participate in the City of Tacoma, Department of Public Works, Brewery District Project to install approximately 5,300 feet of four-inch to 20-inch water main along Fawcett Avenue (\$1,874,086.58, plus a 15 percent contingency for a cumulative total of \$2,155,199.57, plus applicable taxes)

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

Troy Saghafi, Professional Engineer, summarized the resolution. Tacoma Water is requesting authorization to participate in Public Works', Brewery District Project for the reconstruction and replacement of water main project along Fawcett Avenue, and as part of this project, Tacoma Water proposes to partner with Public Works to reconstruct the existing roadway and replace approximately 5,300 feet of 4-inch to 20-inch water main, constructed circa 1939, along Fawcett Avenue, between 6th Street and South 19th Street. The approximate cost for Tacoma Water is \$1,874,086.58, plus a fifteen percent contingency, for a cumulative total of \$2,155,199.57. Tacoma Water believes it is in the best interest of the utility and its customers to include the water main work in the Public Works project and the partnership will improve project delivery, reduce project costs, improve system availability, and consolidate construction disturbance to neighborhood businesses. It is more cost effective to mitigate the risk of future water main breaks under a new roadway by replacing the water main now.

Board Member Bushnell made positive remarks about the collaboration with General Government's project to minimize construction interruption and avoid extra costs of separate construction projects. In response to a Board inquiry about green roads project qualification, Mr. Saghavi stated this is not eligible as it is a regular Public Works maintenance project.

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

D. Reports of the Director

Covid

Director Flowers provided an update on the Covid response. Reconstruction of staff will now occur no sooner than February 1, 2022. The reconstitution work group continues to ensure there is adequate space between employees; this information will be used to determine the future of office layouts. The City is waiting on OSHA to release their emergency temporary standard, expected the first week of November. Once that is released, the Department of Labor and Industries will review it and provide their guidance. While waiting for OSHA and L&I to release their information, the City has created a workgroup to discuss all of the potential that guidance will have. Topics of discussion include state and federal contract impacts, vaccination/exemption/accommodation tracking, and testing.

May 2021 Financials for Power, Water, Rail, Self-Insurance Fund

These financials were in written form only with no verbal report provided.

Strategic Directive Eleven (SD11, Decarbonization/Electric Vehicles) Update

Clay Norris, Power Manager, introduced the topic by restating the purpose statement of SD11: TPU seeks to be a leader in decarbonization of the electric utility system and transportation electrification and to promote Tacoma Power's renewable and nearly carbon free generation portfolio as a driver of economic development and a competitive advantage for existing customers. Mr. Norris shared there were impacts from Covid as in-person outreach and education was limited. Sarah Sweet, Conservation Program Manager, provided an overview of the 2021 legislative session rules to be established by January of 2023. These include HB 1091; SB 5126; and SB 5192. Ms. Sweet then

shared that the Environmental Action Plan concluded at the end of 2020. Progress was tracked and reported quarterly from 2017-2020. TPU met or exceeded nearly every goal and is currently participating in the development of the Climate Action Plan, the next iteration of the Environmental Action Plan. Cam LeHouillier, Assistant Power Section Manager, spoke next to transportation electrification. Mr. LeHouillier outlined the current programs, which include TPU campus charging, electric school bus program, Port of Tacoma electrification, Public EV charging, and the multi-unit dwelling pilot. New programs in 2021-2022 include home EV charging pilot, Fleet charging pilot, street side EV charging pilot, co-op EV car share, review of public EV charging fees, and research studies. Ms. Sweet then summarized community outreach and communication activities. Outreach teams have incorporated information about evergreen options, demand response, and electric vehicle programs into their public outreach events. Eleven public events have occurred with ten virtual events. Ms. Sweet summarized the flyers, social media, newsletter, and TV Tacoma communication efforts. Mr. LeHouillier concluded by outlining innovation, modernization, R&D, and other emerging efforts. These include: the launch and support of the Tacoma Maritime Innovation Incubator, continued expansion of R99 renewable diesel, addition of more electric and hybrid vehicles to the suite, mobile cold-ironing system, renewable fuels tariff, water heater demand response pilot, planning for electrification of building and transportation; and building the case for Tacoma as a green hydrogen hub. Board Members made positive remarks about this presentation.

Tacoma Power Conservation Potential and Target

Rich Arneson and Natasha Houldson from the Power Conservation work group conducted the presentation. The Northwest Power and Conservation Council defines conservation as 'any reduction in electric power consumption as a result of increases in the efficiency of energy use, production, or distribution. Each biennium, Power sets a conservation target and reports it to the state and Power has historically exceeded its targets. Since 1980, Power has made conservation a priority resource. Conservation now delivers about as much as Mayfield dam and achieves enough conservation to power 59,470 average homes. The energy Conservation Potential Assessment (CPA) is a data driven process that helps a utility identify the full range of conservation opportunities in its service area and establishes an upper bound to what can be called cost effective conservation given the utility's resource. The Energy Independence Act requires qualifying utilities to determine their conservation potential and requires qualifying utilities to establish a 10-year achievable economic conservation resource potential; and a two-year conservation target that is no less than its pro rata share of its ten-year potential. These metrics must be developed and adopted every two years. The target sets the 2022/23 conservation acquisition baseline against which Power will be judged for compliance purposes. Mr. Arneson reviewed the two metrics that will be brought before the Board for consideration at a future meeting. Metric one: 1 ten-year achievable economic potential of 217,109 MWh; Metric 2 is a two-year conservation target of 53,114 MWh. In response to a Board inquiry about mechanisms in place to track load increase due to electrification, even with conservation, Mr. Arneson stated that Power will be able to identify factors that drive overall load. In response to a Board inquiry about how the targets relate to what has been accomplished in the last two years, Ms. Houldson shared that Power has a full suite of programs offered as part of the approach to ensure that there is a variability in energy savings achieved in one sector as there are different portfolios that can compensate for that variability.

Advanced Metering Program Update

Andre Pedefferri, Advanced Metering Program Manager, summarized the major milestones accomplished to date: 50,000+ AMI meters deployed; executed \$2M Water Smart federal grant agreement; built 95 percent of phase one AMI wireless communications network; started mass meter deployment and communications; started monthly billing conversions; provided first detailed usage data to customers; executed AMI training program; completed core AMI and mass deployment system go-live; and executed five major vendor contracts. Mr. Pedefferri then reviewed the AMI deployment budget for October 2021 and concluded by summarizing benefits available to customers as new meters are received. In 2020-2021, benefits include: monthly billing; automated meter reading; expanded ways to save / detailed usage data on web portal; abnormal consumption notifications / emergency water leak notifications; reduced environmental impact; improved safety; easier move in / move out and remote reconnection; and enhanced personal privacy. In 2022, benefits will include prepay for electric; enhanced customer web portal; selectable bill due date; and enhanced customer outage notifications. Board Members made positive remarks about the status of the program so far. In response to a Board inquiry about any existing supply-chain issues with program supplies and the microchip shortage, Mr. Pedefferri explained TPU's position. When Covid began, TPU had a chance to be first in line with the manufacturer and used risk prevention during the beginning of the pandemic that positioned the utility well to get in front of any supply chain issues. Currently, the supply chain is 52 weeks out and other utilities are unable to upgrade, repair, and replace their meters. TPU is in a good position and continues to monitor the situation with the manufacturer. TPU has hedged risks and has several months of meter inventory in place.

Director of Utilities Performance Review Process Overview

Cheryl Bidleman, Assistant HR Director, provided an overview of the performance review process for the Director of Utilities. The performance is reviewed on the calendar year. Reconfirmation occurs every other year before August 1. A mid-year check in is performed on reconfirmation years (2022). The process is directed by the Board Chair. The Director's performance is discussed in executive session and all written feedback is public. The Board Chair considers Board input and writes the review with HR staff facilitating the process. Ms. Bidleman shared that process and feedback tools include the Director's work plan, self-evaluation, and performance review form. Ms. Bidleman concluded by reviewing the timeline.

E. Comments by the Board

There were no final comments by Board Members.

F. Closed Session

Board Member Cooley moved to enter into an closed session at 5:16, not to exceed 30 minutes, to discuss labor negotiations (RCW 42.30.110(1)(g); seconded by Mr. Watson. Voice vote taken and carried.

Chair Patterson announced that there would be no further business after the closed session and moved that after the conclusion of the closed session, the Clerk of the Board is authorized to adjourn the meeting; seconded by Ms. Cooley. Voice vote taken and carried. The closed session concluded at 5:41 p.m.

G. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 5:41 p.m. until October 27, 2021 at 3:00 p.m.

Approved:



Mark Patterson, Chair



Carlos Watson, Secretary