



Approved 11-17-21

MINUTES  
City of Tacoma  
Public Utility Special Board Meeting  
October 27, 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.

**Regular Agenda**

- C-1 Resolution U-11283 - Award contracts and approve purchases:
1. Extend contract with New Albertsons, Inc., at the contract price of \$800 per month, per pay station kiosk, plus applicable taxes, for space rental in grocery stores, as well as to increase the number of kiosks as needed [Mike Hill, Asst. Customer Services Mgr].
  2. Award five-year contract to Skokomish Indian Tribe for professional fisheries assistance at the Cushman Hydro Project (\$1,800,000, plus applicable taxes) [Matt Bleich, Assistant Power Section Manager].
  3. Award five-year contract to Long Live The Kings for the rearing of Skokomish River steelhead from juvenile to the adult life stage (\$889,701, plus applicable taxes) [Matt Bleich, Assistant Power Section Manager].
  4. Award five-year contract to Pacific States Marine Fisheries Commission for fisheries technician and biologist support services for Cowlitz, Cushman, Nisqually, and Wynoochee hydroelectric project implementations from 2022-2027 (\$9,000,000, sales tax not applicable) [Matt Bleich, Assistant Power Section Manager].

5. Award three-year contract to Nokia Corp of America for hardware and software to support the Wide Area Network Phase 2 capital project (\$700,000, plus applicable taxes) [Thomas Stedman, UTS Telecom Engineer].

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

In response to a Board inquiry on item number one concerning best location for the bill kiosks, Mike Hill, Assistant Customer Services Manager, summarized the background on this contract and explained that in 2002 when kiosks were initially deployed, TPU didn't have the analytics on best locations like we do now. Flexibility exists now on moving the kiosks to where there is a demand.

In response to Board inquiries on items two, three, and four, Matt Bleich, Assistant Power Section Manager provided additional background and clarification. These contracts help to maintain the clean energy portfolio and these three contracts are part of those commitments. These are more than financial commitments, the Tribe is one of the most important partners in implementation of the watershed hydro license and it has been a successful partnership. The Long Live The Kings contract allows Power to work with regional stakeholders to recover the winter steelhead population and keep consistent with environmental obligations. The Marine Fisheries contract is for staff augmentation; strategy is used to ensure staffing levels are met to meet the Federal Energy Regulatory Commission license requirements. They operate hatcheries, collectors, and conduct license evaluation like wildlife and land surveys. Staff constantly evaluates the benefit of holding this staffing contract or absorbing staff in the future. The Board expressed interest in keeping updated on these staffing evaluations. Andy Ollenburg, Natural Resources Specialist, added that there are three full-time Tribal members who work with the fish. There are variable needs for fish collection throughout the spring and summer seasons and also some specific tasks the Tribe does with the steelhead reintroduction program.

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

- C-2 Resolution U-11284 – Authorize execution of a collective bargaining agreement as negotiated with the District Lodge #160 of the International Association of Machinists and Aerospace Workers, on behalf of Local Lodge #297, Rail Mechanics Unit, effective January 1, 2021 through December 31, 2023

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

Alan Matheson, Assistant Rail Superintendent, summarized the resolution. The agreement covers approximately 16 budgeted positions at Tacoma Rail and covers the years 2021-2023. The agreement provides that effective retroactive to January 1, 2021, all classifications will receive a general wage increase of two (2) percent, and the classification of Railway Shop Worker will also receive a market-based adjustment of \$1.00/per hour increase. Effective January 1, 2022, and January 1, 2023, all classifications will receive a general wage increase of two (2) percent, and in addition, and effective as soon as practicable following the City Council's adoption of the agreement, the City will match the 457(b) deferred compensation contributions of employees covered by this agreement up to a maximum matching contribution of three (3) percent of base salary. All deferred compensation contributions are subject to the

limitations of the IRC maximum contributions requirements for Section 457 plans, and in accordance with the City's deferred compensation rules, no match will be made on Roth contributions and the agreement also provides for a one time lump sum payment of \$2,000, in lieu of retroactivity on 457 matching funds. Other changes to the agreement include: modifying language to provide that premiums paid for group life insurance and the amount paid for meal allowances will be as prescribed by the Tacoma Joint Labor Agreement; changes to language related to scheduling and shift bidding and assignments; and other housekeeping updates to reflect gender-neutral language.

Board Members made positive remarks about this resolution and staying competitive with the market.

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

C-3 Resolution U-11285 – Authorize execution of a collective bargaining agreement as negotiated with the District Lodge #160 of the International Association of Machinists and Aerospace Workers, on behalf of Local Lodge #297, Track Workers Unit, effective January 1, 2021 through December 31, 2025

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

Alan Matheson, Assistant Rail Superintendent, summarized the resolution. The agreement covers approximately 8 budgeted positions at Tacoma Rail and covers the years 2021-2025, and provides that effective retroactive to January 1, 2021, all classifications will receive a general wage increase of two (2) percent. Included in the agreement and effective in the first pay period after Council ratification of the agreement, the classification of Railway Track Maintenance Worker will receive an additional 13.5 percent market-based adjustment; and the classifications of Railway Track Inspector, Railway Track Maintenance Supervisor and Railway Track Equipment Mechanic Mechanic-Welder will be re-aligned to ten (10) percent above the Railway Track Maintenance Worker classification. Effective January 1 of each of the years 2022-2025, a general wage increase of two (2) percent will be applied as part of the Agreement, and other changes to the agreement include: an update to Article 12 –Non-Discrimination; modifying language to provide that the amount paid for meal allowances will be prescribed by Section 6.16 of the Tacoma Joint Labor Agreement; changes to language related to scheduling and shift assignments; and other housekeeping updates to reflect gender-neutral language.

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

C-4 Resolution U-11286 – Approve adoption of Tacoma Power's ten-year 2022/2031 achievable economic conservation potential of 217,109 MWh and a two-year 2022/2023 conservation target of 53,114 MWh

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

Rich Arneson, Sr. Power Analyst, summarized the resolution. The Department of Commerce regulations implementing the Energy Independence Act (EIA) requires that utilities adopt a ten-year conservation potential and a two-year conservation target by

action of the utility's governing board in a public meeting that provides an opportunity for public comment. Adoption of the two-year target sets the standard by which the utility will be judged for compliance with the EIA; if Tacoma Power were to fail to achieve the two-year conservation target, the utility would face penalties of \$50/MWh (2007 dollars) for every MWh short of the target. The EIA requires Tacoma Power to identify its ten-year achievable cost-effective conservation potential and two-year conservation target by January 1, 2022. The ten-year conservation potential must be developed using methodologies consistent with those of the Northwest Power and Conservation Council, while the two-year conservation target must, at a minimum, be a pro-rata share of the ten-year potential. Tacoma Power has used information from the 2021 Conservation Potential Assessment to identify the ten-year potential and for the two-year target by calculating a pro-rata share of 20 percent for standard conservation measures plus the expected two-year savings from the Home Energy Reports program. Tacoma Power has determined that using a methodology consistent with WAC 194-37-070, Tacoma Power's ten-year (2022/2031) conservation target is 217,109 MWh and its two-year (2022/2023) target is 53,114 MWh.

Board Members made positive remarks about this resolution and Tacoma Power's success in the past in achieving its targets.

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

C-5 Resolution U-11287 – Approve updates to the Tacoma Power Customer Service policies to include definition updates, clarifications, correction of administrative errors, removal of the expired Brewery District pilot project, and other general updates.

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

Chad Edinger, T&D Electrical Services Mgr, summarized the resolution. The policies were last revised in 2013, by Resolution No. 10670, and a minor update in 2018, by Resolution No. U-11000, to allow the inclusion of the Brewery District pilot project, that expired on April 1, 2021. There are five proposed substantive changes and three clean-up items: The addition of language requiring a system impact study for load additions (Section 2.2 Load Additions Requiring a System Impact Study); Adding detailed examples of service point (Section 5.0 Single-Family Dwelling Units, Mobile Homes and Duplexes; A.1.b.); Adding language regarding customer-owned surge protection devices and generator collar devices being installed between a meter base (Section 13.0 Meters; F.); Adding language to reflect change in metering which has pulsing integrated (Section 13.5 Pulses); Adding terms used in the policies; Moving the definitions section to the beginning of the document to conform with other TPU policies; Removing references to specific pages of the Tacoma Public Utilities website; Removing references to the expired Brewery District pilot project (Section 9.0 Overhead-To-Underground Conversion to LID; D.3 and Section 10.0 Prepaid Overhead-to-underground Primary Line Conversion; B). In response to a Board inquiry concerning how changes are communicated to customers, Mr. Edinger explained that information would be through the customer service agents, the electrical permitting process, or through the website. If for residential service, these would be discussed with the customer during the permitting process and if there is a substantial load addition, staff would need to look at the transformer serving the residence to make sure there's enough capacity.

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

C-6 Resolution U-11288 – Authorize Tacoma Power to participate in the City of Tacoma, Department of Public Works, Fawcett and Brewery District Projects to install approximately 2,000 feet of duct banking along Fawcett Avenue between South 21<sup>st</sup> Street and South 17<sup>th</sup> Street (\$1,578,158.32, plus a 10 percent contingency for a cumulative total of \$1,735,974.15)

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

Chad Edinger, T&D Electrical Services Manager, summarized the resolution. Tacoma Power proposes to partner with Public Works to install approximately 2,000 feet of duct bank consisting of (1) 4-inch and (6) 6-inch ducts, along Fawcett Avenue between South 21<sup>st</sup> Street and South 17<sup>th</sup> Street. This new section of power duct bank will eventually run from Nisqually Substation to feed the downtown system network once installed, and the duct bank running down Fawcett will serve two purposes, as an alternative feed from Nisqually Substation to downtown as the current duct line is 85 years old and in need of replacement, the second is that the load growth capability within the downtown is being met. The overall project will minimize long-term road maintenance by improving roadway surface with concrete panels and asphaltic sections, add new signals and median refuge island to support bicycle and pedestrian movement, upgrade underground utilities, install traffic calming measures, and construct new illumination and sidewalks/ADA improvements. The total project cost is \$1,578,158.32, plus a ten percent contingency, for a cumulative total of \$1,735,974.15, plus applicable taxes. Tacoma Power believes it is in the best interest of the utility and its customers to include the water main work to improve project delivery, reduce project costs, improve system availability, and consolidate construction disturbance to businesses.

Board Members made positive remarks about the improvements and collaboration with Public Works to keep costs and construction disruption to a minimum.

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

C-7 Resolution U-11289 – Pursuant to Resolution U-10792, authorize Tacoma Power to enter into an energy conservation agreement with Sherlocked Development, LLC, a state-licensed marijuana business.

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

Bryan Russo, Power Analyst, summarized the resolution. Tacoma Power requests authorization to enter into an energy conservation incentive agreement with Sherlocked Development LLC (“Sherlocked”) an indoor marijuana grow facility. In order to expand production and reduce utility expenses, Sherlocked intends to install LED lights in lieu of conventional, energy intensive lights. In order to support this installation, Sherlocked has requested assistance with funding through the energy conservation program. In 2012, Washington voters passed Initiative 502 related to the legalization of marijuana including legal production within the state, and Resolution No. U-10792 sets out the requirements for providing conservation program services to state licensed marijuana businesses, which include a requirement in Sec. 4 that provides: “Contracts with state licensed

marijuana businesses involving system changes/upgrades or agreements for conservation measures that are estimated to be in excess of \$200,000, shall be approved by the Board”. WHEREAS Tacoma Power has developed an energy conservation incentive agreement with Sherlocked for an incentive of \$234,363.

Board Members made positive remarks about the energy savings that will be realized by this resolution.

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

#### TPU

C-8 Motion 21-11- A motion to approve the mid-biennial budget adjustment on file with the Clerk of the Board.

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

Jim Sant, Deputy Director for Administration, made introductory remarks. State law requires all cities that adopt a biennial budget to review and modify their budgets no later than the end of the first year of the biennium. The current budget proposals were developed during a pandemic so ongoing impacts to the utilities and customers were unknown. Budget requests were held low to minimize impacts to customers during 2021. Power Superintendent Robinson and Water Superintendent Dewhirst provided background for their respective mid-biennial budget adjustment requests. Power is experiencing resource gaps resulting in project delivery and workload issues and is therefore requesting to add 20 budgeted full-time equivalent positions totaling \$2,580,000. Tacoma Water’s recent reorganization provided insight into areas in need of additional resources to address span of control and workload issues and is therefore requesting to add eight budgeted full-time equivalent positions totaling \$1,230,000.

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

### **D. Reports of the Director**

#### Covid

Director Flowers shared that there are no material updates to this topic at this time.

#### June 2021 Financials for Power, Water, Rail, Self-Insurance Fund

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

#### Rail Strategic Plan

Mike Ogborn, Strategy Consultant, began by providing an overview of Tacoma Rail’s organizational relationship to stakeholders and explained the outreach made to stakeholders in preparing the plan. Interviewees included customers, the Port, the Northwest Seaport Alliance, the Puyallup Tribe, the Mayor, and members of the Board. Employee participation included Rail’s leadership team, front line managers, and union leaders. This was all done with the deliverables of enhancing strengths, achieving opportunities, addressing weaknesses, and alleviating threats in mind. Mr. Ogborn walked through the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. Alan Matheson, Assistant Rail Superintendent, and Mr. Ogborn then walked through the strategic focus and objectives for each of the Board’s Strategic Directives as they relate

to Rail. It was added that staff will prepare a presentation on the Mountain Division for the Board in 2022. In closing, next steps were summarized. These include sharing the plan with stakeholders, prioritizing opportunities, assigning responsibility for each element, establishing deliverables for each element, setting of clear measurements, adjusting as needed during the five-year period, and reporting on outcomes of each element. Board Members shared that they will form their thoughts on this information and come back to the next Board meeting for further discussion and input.

#### Strategic Directive Thirteen (SD13, Customer Services) Update

Steve Hatcher, Customer Services (CS) Manager, provided an overview of CS challenges in 2021; these include the lobby closure and reopening, reconstitution planning, overdue payments/moratorium, and payment assistance. Mr. Hatcher then summarized the highlights which include utility modernization, Evergreen Options grant, AMI customer portal development, new outage map, and high customer satisfaction and engagement. Rebekah Anderson, Communications Manager, summarized the communications that kept customers connected during Covid and the communications that are preparing customers for resumption of disconnection services resuming in 2022. John Hoffman, Assistant Customer Services Manager, then reviewed call centers service levels. Francine Artis, Customer Solutions Manager, reviewed graphical illustrations of statistics for the customer assistance programs. Ryan Cox, Assistant Water Division Manager, provided an overview of Water's CS accomplishments in 2020 and experience focus for 2021. Dan Drennan, Marketing Development Manager, then provided a high-level overview of the fall 2021 residential customer satisfaction survey.

#### Strategic Directive Ten (SD10, Government Relations) Update

LaTasha Wortham, Regional Relations Manager, reviewed the SD10 purpose statement and then provided a high-level overview of the following: Government-to-Government relations during the pandemic; Government to Government relations with Native American Tribes; Collaboration with General Government; Government to Government relations with franchise partners; and upcoming government relations priorities with government partners. Upcoming priorities include Covid recovery, customer assistance programs, AMI/AMI portal, budget/rates development/outreach, franchise agreements and the Climate Action Plan implementation.

#### Proposed Legislative Policies/Agenda

Clark Mather, Community and Government Relations Manager, made opening remarks. TPU's legislative policies allow for the Board to provide direction on a variety of issues. The legislative agenda includes some of the specific policy outcomes that TPU staff will be seeking. Mr. Mather then walked through proposed changes of each for the current year for federal matters. Logan Bahr, State Relations Manager, then reviewed the policies and priorities for each of the operating divisions for the state level. This information will be presented at the joint study session of the Council and Board on November 9. Board consideration is scheduled for November 17 and Council consideration scheduled for November 23.

#### Miscellaneous

Joe Wilson, T&D Manager, provided an update on outages that resulted from the recent wind storm. Wind gusts exceeded over 40 mph and caused over 30 damage incidents and outages to approximately 16,000 customers within 15 minutes. As the first storm was subsiding another wind storm caused a transmission line serving Fircrest and

Tacoma and that impacted 12,100 customers. On Monday from noon to 2:00, winds exceed 30 mph and caused another 7,900 customer outages. Most customers were restored by Monday evening and restoration work went through Tuesday. In total, approximately 38,000 customers sustained outages.

**E. Comments by the Board**

There were no final comments by Board Members.

**F. Adjournment**

Chair Patterson mentioned that in accordance with the Board's Government Process Two, there is only one Board meeting each in November and December as scheduled and noticed by the Clerk. The meeting dates for the remainder of the year are currently scheduled November 17 and December 15.

There being no further business or comments, the Public Utility Board meeting was adjourned at 6:38 p.m. until November 17, 2021 at 3:00 p.m.

Approved:



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Mark Patterson, Chair



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Carlos Watson, Secretary