



APPROVED 3/9/22

MINUTES
City of Tacoma
Public Utility Special Board Meeting
February 23, 2022
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, John O'Loughlin
Excused: 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.

There were no public comments.

Regular Agenda

- C-1 Resolution U-11307 - Award contracts and approve purchases:
1. Increase and extend contract to Schweitzer Engineering Laboratories, Inc., for the purchase of protective relays, meters, remote terminal units, and accessories (\$600,000, plus applicable taxes. Cumulative total \$1,318,901.36) [Michael Allen, Power Supervisor];
 2. Award three-year contracts to PetroCard, KBT Distributing Fuel, and Associated Petroleum for the purchase of bulk fuel, including a keep-full delivery service as needed (\$18,000,000; \$645,500; \$600,000, respectively. Combined total \$19,245,500, plus applicable taxes and one additional two-year renewal) [Don Ashmore, Fleet Mgr];

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

In response to a Board request for a summary on item number two, Don Ashmore, Fleet Manager, answered that the contract is awarded through the state and covers fueling sites at all three operating divisions. Dan McCabe, Rail Section Manager, added that

Rail has reduced consumption by 25 percent, implemented anti-idling measures, and is looking at further fuel saving technologies. Rail uses approximately 300,000 gallons on an annual basis and the remaining amount in the contract is for the servicing of Union Pacific locomotives. Mr. Ashmore then outlined some other sustainability efforts by operating divisions, including electric vehicles and stated additional information will be provided to the Board. Board Members requested future presentations on electrification and decarbonization of the fleet.

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

C-2 Resolution U-11308 – Declare surplus and authorize the negotiated sale to Chris and Mitzi Dunayski of approximately 6,350 square feet of land in Tacoma Power property identified as Pierce County Assessor Tax Parcel No. 2890002480 located at 3404 South 45th Street in Tacoma for \$250,000

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

Greg Muller, Real Estate Officer, summarized the resolution. The property is in an urban area and was formerly improved with Tacoma Power's Warner Substation and was declared surplus in 2009 by Resolution No. U-10270, but no adequate bids were received as part of the sealed-bid process. This property was identified as potential for affordable housing and was included in an RFP in 2021; and has been offered to the Puyallup Tribe and was then marketed to the community at large, which resulted in the current negotiated sale amount of \$250,000 to Chris and Mitzi Dunayski. The purchase price for the property in the amount of \$250,000 has been determined to represent fair market value, and the property is still not needed for continued utility service and is surplus to the needs of Tacoma Public Utilities.

In response to a Board inquiry about the revised marketing strategy for surplus property, Mr. Muller shared that there is a focus on supporting affordable housing efforts and that three properties are moving forward with Habitat for Humanity.

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

D. Reports of the Director

Covid

On Tuesday, February 22, the City Council voted to terminate the Mayor's Emergency Rule No. 4, related to official City of Tacoma public meetings to be in virtual format, and confirmed Mayor's Emergency Rule No 5 related to official City of Tacoma format for public meetings. With the adoption of these motions, starting March 1, the Council Study Session and the Council meeting will be in a hybrid format, both in person (in Council Chambers) and virtually as has been the case for the last two years. Rule No 4 allows the Public Utility Board to transition to hybrid meetings. All other City committee meetings will continue to be virtually. March 1 will mark the first in person Council meeting. The emergency management team is actively evaluating remaining directives established during the pandemic in light of latest adjustments made by the Governor and Health Department. City of Tacoma directives are also coordinated with Washington Labor and Industries as well as our labor partners. Any adjustments to directives will be

coordinated accordingly. There are no other updates related to operational protocols this evening.

Customer service began batch mailing letters to customers with arrearages. The target is to have those letters to all customers with past due balances within a couple of weeks. The team will continue to work through the multiple phased targeted communication plan to identify funding assistance that customers may qualify for and to transition them to payment plans in advance of March 31.

Update on Strategic Directive Six (SD6, Innovation)

Joe Tellez, Chief Technology Officer, provided an overview of the SD6 work plan and industry disruptions prompting utility innovation, which can include customer expectations, market shifts, decarbonization, renewables, cyber threats, and a changing work force. Innovation drivers at TPU are affordability, climate change, economic development, resilience, and resource adequacy. An innovative culture enables creativity, experimentation, and incubation to better serve customers, manage assets, enhance sustainability, finance investments, and realize optimal utility performance. The innovation program goals are to deliver both optimization and transformation benefits based on the principles of employee engagement, customer value, risk management, market timing, and operational excellence. Mr. Tellez then summarized metrics and reporting; final outcome metrics can include both financial benefit and an innovation recognition program. Mr. Tellez concluded by outlining emerging and in-progress innovation use cases, which include customer engagement portal, water outage management, smart meter roadmap, grid modernization, electrification programs, positive train control, enhanced hydrant rentals, meter box survey tool, audit capabilities, vegetation management machine learning, and transformer load management analytics. Board Members expressed interest in learning more asset management programs.

Update on Advanced Metering Program

Matt Hubbard, Power Engineer, provided an update on AMI milestones. To date, 91,000 AMI meters have been installed, 21,000+ customers have been converted to monthly billing, and \$2M in federal grant funding has been awarded to TPU. Phase 1 communications network is complete. Mr. Hubbard then discussed the unanticipated global events of the pandemic and meter supply chain disruptions and mitigation strategies. The meter deployment schedule was then reviewed. There are no changes in the target completion timing for large commercial, industrial, and solar meter installations. Residential and small commercial meter installations are now targeted to be complete in 2024 and is dependent on meter supply chain. AMI benefits slated for 2022 are pre-pay for power, enhanced customer web portal, selectable bill due date, and enhanced customer outage notifications.

Open Public Meetings Act/Public Disclosure Training

Tom Morrill, Chief Deputy City Attorney, stated that training on the Open Public Meetings Act is required for Board Members and the Board viewed training on this topic from the Attorney General's Office. Mr. Morrill then provided a brief overview of public disclosure rules.

E. Comments by the Board

Chair Patterson announced that the emergency rule requiring that all Board meetings be held remotely has been rescinded and a new emergency rule allowing the Board to hold

hybrid meetings has been issued; the next Board meetings, starting March 9, will revert back to their former times and will be held in a hybrid format which will include both an in-person component and a remote component. The in-person component will be held in the Tacoma Public Utilities auditorium. The Study session will start at 3:00 and can be streamed via Zoom; followed by a regular Board meeting at 6:30, which will be aired both on Zoom and TV Tacoma.

F. Executive Session

Board Member Cooley moved to enter into an executive session at 5:10 p.m. not to exceed 90 minutes, to discuss the performance of a public employee per RCW 42.30.110(1)(g); seconded by Board Member Watson. Voice vote taken and carried.

Chair Patterson announced that there would be no further business after the executive session and moved that after the conclusion of the executive session, the Clerk of the Board is authorized to adjourn the meeting; seconded by Ms. Cooley. Voice vote taken and carried. The executive session concluded at 6:40 p.m.

G. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 6:40 p.m. until March 9, 2022 at 3:00 p.m.

Approved:



Mark Patterson, Chair



Carlos Watson, Secretary