



APPROVED 11-4-19

MINUTES
City of Tacoma
Public Utility Board Study Session
October 23, 2019
3:00 p.m.

Board Chair Larkin called the Public Utility Board study session to order at 3:02 p.m. at the Public Utilities Administration Building.

Present: Chrissy Cooley, Carlos Watson, Karen Larkin, Mark Patterson

Excused: Bryan Flint

Tacoma Water: Pipeline I

Michael Washington, Principal Engineer, provided an overview of Pipeline I. Pipeline I is 27 miles long, is made of steel and concrete, and has a diameter of 30 to 78 inches. System and operational changes have reduced the flow transferred by Pipeline I resulting in portions of the pipeline to become unpressurized which increases the potential for infiltration. Mr. Washington detailed the regulatory drivers that dictate Tacoma Water's transmission main performance. Mr. Washington outlined the competitive solicitation and comprehensive evaluation to mitigate the issue. The steps to the plan: Pipeline assessment; Development of alternatives; Risk quantification; Development of a financing plan; and Finalizing the implementation plan for pressurizing the pipeline. The preliminary potential long-term costs is a range of \$60-\$150M over a 20-year period. Staff will bring a contract recommendation forward to a future Board meeting. The planned completion date is December 2020.

Tacoma Power: Current Power Portfolio and Power Resource Options

Rachel Clark, Sr. Power Analyst, provided a review of the Integrated Resource Plan (IRP) process covered in previous study sessions. Rick Applegate, Sr. Power Analyst, outlined Tacoma Power's resources today, which is 56 percent Bonneville Power Administration (BPA), 1 percent Wynoochee, 5 percent Cushman, 9 percent Nisqually, 26 percent Cowlitz, and 3 percent Columbia Basin Hydro. Mr. Applegate provided an overview of each of these. As outlined in previous IRP presentations, Tacoma Power's hydro projects alone do not provide enough energy or capacity for the future; types of resources Tacoma Power will consider in the IRP were reviewed. Mr. Applegate then detailed BPA resource options. Other resource options such as other hydropower, wind, solar, pumped storage, battery storage, demand response, and conservation were detailed. Action items for resources considered in the 2020 IRP include working to gain more clarity on BPA product options for 2028; seeking more flexibility from BPA in resource dedication policies post

2028; starting to model resources in system model; estimating cost specifically for Tacoma Power; and working on plan for community input meetings.

Tacoma Power: Electrification of Transportation

Cam LeHouillier, Assistant Power Section Manager, outlined the current Electric Vehicle (EV) market. We are in the early adoption stage as EVs are less than three percent of new cars in Washington. Public awareness is still low and we are in a period of innovation as best practices have not been set yet. Mr. LeHouillier reviewed EV legislation as set forth in HB 1512, and governance. Mr. LeHouillier outlined the strategic plan that contains the strategic vision, provides guiding principles, codifies interpretation and compliance with HB 16512, sets the role of the utility, contributes to organizational clarity and consistency, establishes governance process, and provides for public input before adoption. Mr. LeHouillier outlined the action plan which will be an annual update on results of the previous year's efforts; specify areas of focus, previews program design and delivery for the following year; and is aligned with the strategic plan. Final consideration is scheduled for February 2020.

Discussion of Board Policies

Chair Larkin led the Board in review of the latest draft of the Board's Strategic Directive on Innovation (SD6). The next step is for staff to finalize the directive in time for review at the November Board meeting with the end goal of Board consideration at its December meeting.

Miscellaneous

Andre Pedefferri, Advanced Meter Project Manager, answered Board inquiries about the third item on the evening meeting general purchase resolution that awards a contract to Sensus for the Advanced Meter Project. The differences between Software-as-a-Service (SAAS) and Managed Services (MS) were detailed. SAAS is day-to-day monitoring, maintenance, and management of TPU's meter data collection software and associated infrastructure. The vendor owns all components of the software solution required to run and operate the system. MS is monitoring of wireless communication network and associated infrastructure, advanced security monitoring, and preventative maintenance monitoring. TPU owns all components of the communication infrastructure required to run and operate the system. TPU is responsible for mitigating field communication network issues. This shifts responsibility to Sensus to ensure network/system reliability and performance and includes extensive termination language for future flexibility.

Chris Bacha, Chief Deputy City Attorney, summarized key components contract for the evening's public hearing on Click!.

Adjournment

The study session was adjourned at 5:45 p.m. until the special meeting scheduled for Wednesday, October 30, 2019 at 5:30 p.m. The next regularly scheduled study session is scheduled for Wednesday, November 13, 2019 at 3:00 p.m.

Approved:

Approved:

Karen Larkin, Chair

Mark Patterson, Secretary