



APPROVED 9-27-23

MINUTES
City of Tacoma
Public Utility Board Study Session
September 13, 2023
3:00 p.m.

Chair Watson called the Public Utility Board study session to order at 3:00 p.m. in the third-floor conference room (LT1) of the Public Utilities Administration Building.

Present: Carlos Watson, William Bridges, Elly Claus-McGahan, John O’Loughlin

Excused: Anita Gallagher

Guiding Principle Eleven (GP11, Decarbonization and Electrification) Update

Cam LeHouillier, Energy Research and Development Manager, provided an overview of the legislative focus on decarbonization and funding opportunities. The 2023 Climate Action Plan (CAP) lists TPU as responsible for leading seven actions and supporting 12 more. Progress is tracked and reported to senior leadership quarterly and General Government annually. All leading actions are on track. The electrification futures study objective is to produce detailed estimates of how electrification might affect customer demand to inform planning processes. Dan McCabe, Rail CIO/CFO, provided an overview of Rail electrification by outlining funding and how it’s working with Power. Tacoma Rail is positioning to be the first short line railroad in the northwest to have battery electric locomotives. Seema Ghosh, Power Utility Manager, provided an overview of innovation, including grid modernization, advanced distribution system management, non-wire study for Ketron Island, and the innovation rebate. Mr. LeHouillier then spoke to transportation electrification (market transformation, peak load management, charging incentives, Power-owned EV chargers, the 2030 goal, funding, and current/future projects). Fleet decarbonization was then reviewed. Renewable diesel represents about 35 percent of non-dyed diesel use at TPU. Jessica Wilson, Public Information Officer, provided an overview of community activities related to decarbonization.

Tacoma Water: Operations Facilities Project

Carol Powers, Principal Engineer, shared that the purpose of this project is to provide a resilient facility for Water warehousing and shops functions for current and future needs. As background in in 2016 an all-hazards vulnerability study was conducted and the Water operations building deemed an essential facility. In 2018 there was a seismic

assessment of the existing building that found structural capacity is below the industry standard for both life, safety, and immediate occupancy. There is likely no access to the building in a seismic event and without access to the warehouse, Water's ability to repair the water system is limited. The cost of retrofitting the building exceeds the cost of a new building with no additional space for growth. Anticipated benefits and TPU complex access issues were addressed. A design build, which is a collaborative approach to address challenges in an innovation, cost-effective and timely manner is staff's recommendation and a contract for Board consideration will be brought for at the September 27 meeting.

Guiding Principle One (GP1, Equity, Diversity, Inclusion, Belonging) Review

The Board reviewed the re-write of this Guiding Principle and it will be further reviewed and discussed at the next Board study session.

Guiding Principle Fourteen (GP14 Resource Adequacy) Review

The Board discussed edits to this Guiding Principle. This item will be brought back to the next Board meeting for consideration of edits, including adding climate change language to the third item in the "Outcomes" section.

Surplus Real Property Disposition Policy

Dylan Harrison, Sr. Real Property Manager, highlighted current policy points: fair market value, except as allowed by law; affordable housing on all in-city properties zoned for housing; affordable housing options for other jurisdictions; advance notice to Tribes and other land use authorities; continued public use when offers are comparable. Recommended revisions: align in-city affordable housing requirements to the GG policy and future amendments hereto; Tribal notifications based on state maps; apply only to properties not necessary for utility operations/projects; Tribal and other government offerings only for properties that can be sold.

General Board Comments/Discussion and Director's Reports

Director Flowers announced the appointment of LaTasha Wortham as Deputy Director/Chief External Affairs Officer.

Executive Session

Chair Watson moved to enter into an executive session at 5:30 p.m. to discuss potential/pending litigation per RCW 42.30.110(1)(i) for up to 30 minutes; seconded by Mr. Bridges. Voice vote taken and carried; the motion was approved. Chair Watson announced that after the conclusion of the executive session, the Board would not take any further action and the study session would be adjourned. Chair Watson moved that at the conclusion of the executive session, the Clerk of the Board is authorized to adjourn the meeting; seconded by Mr. Bridges. Voice vote taken and carried; the motion was approved. The executive session was adjourned at 6:00 p.m. Engel Lee was legal counsel present during the executive session.

Adjournment

The study session was adjourned at 6:00 p.m.

Approved:



Carlos Watson, Chair



William Bridges