



APPROVED 5/22/24

MINUTES
City of Tacoma
Public Utility Board Meeting
May 8, 2024
6:30 p.m.

Chair Watson called the Public Utility Board meeting to order at 6:30 p.m.

Present: Carlos Watson; Anita Gallagher; William Bridges; John O’Loughlin; Elly Claus-McGahan

Minutes of the Previous Meetings

Mr. O’Loughlin moved that the minutes of the previous meetings be adopted; seconded by Mr. Bridges. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

There were no comments by the public.

Recognition

American Public Power Association Safety Award of Excellence

Val Sherman, Environmental Health and Safety Manager, summarized the program and what led to this award. Board Members made positive remarks.

Regular Agenda

- D-1 Resolution U-11455 - A resolution to award certain contracts and approve certain purchases:
1. Increase and extend contract to Regional Disposal (dba Republic Services) for disposal of water treatment solids (\$340,000. Cumulative total \$826,000, plus applicable taxes [Gary Fox, Professional Engineer];
 2. Award two-year contract to Liberty Electric, Inc., for railroad signal inspections and repairs (\$534,700 plus option to renew for three additional one-year periods for a projected contract total of \$1,336,750, plus applicable taxes) [Dan McCabe, Rail CIO/CFO];
 3. Increase contract to Preg O’Donnell & Gilbert PLLC for outside legal services necessary to assist in the defense of a lawsuit filed against Tacoma Rail (\$250,000, plus applicable taxes. Cumulative contract total \$750,000, plus applicable taxes) [Dan McCabe, Rail CIO/CFO];
 4. Increase and extend contract to Resource Innovations, Inc., for the renewal of the demand side management central contract for managing data for Tacoma Power’s energy programs (\$289,278, plus applicable taxes. Cumulative contract total \$1,456,078, plus applicable taxes) [Brittany Broyles, Customer Energy Solutions Operations Mgr];

5. Award contract to Mike McClung Construction for the supply and construction of a bank remediation and fish-passable culvert replacement on Cove Lane Road (\$693,910, plus applicable taxes) [Jason Henry, Power Systems Engineer].

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Board Member Claus-McGahan made positive remarks about the vendor's sustainability practices on item number one and the vendor's equity in contracting practices for item number five.

In response to a Board inquiry on item number four about the potential for future contract increases, Brittany Broyles, Customer Energy Solutions Operations Mgr, shared that the regular scope for licensing and maintenance is 80 percent and 20 percent is for the new scope. Staff hopes to continue to renew for future terms with minimal scope changes. Internal evaluations about needs and effectiveness will continue to take place.

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

- D-2 Resolution U-11456 – Authorize Tacoma Water to participate in the City of Tacoma, Department of Public Works E. 64th St. Phase 2 Project to replace approximately 1,600 feet of 8-inch water main and replace 16-inch water valves along East 64th Street between McKinley Avenue and East Portland Avenue

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Troy Sagafi, Professional Engineer, summarized the resolution. Tacoma Water requests authorization to participate in the City of Tacoma, Department of Public Works, E. 64th St. Phase 2 project. The 2018 Water System Plan conducted computer modeling to identify areas in Tacoma Water's service area where existing customers may be experiencing low water pressures. Modeling forecasts through the year 2037, under a peak water demand scenario, predict that some customers along East 64th Street may experience water pressures below 30 pounds per square inch. Field investigations and historic customer complaints also independently confirm lower water pressures in the area. Washington State code requires a minimum water pressure of 30 psi to be maintained at the water meter under peak water demands. Tacoma Water Customer Service Policy recommends a minimum of 45 psi pressure. Tacoma Water will be taking a proactive action in extending the proposed water main to a higher-pressure zone that will satisfy the minimum pressure requirement of the Washington State code and Tacoma Water Customer Service Policy. Customer Service will be reaching out to the neighborhood to prepare residents for this change. Tacoma Water proposes to install approximately 1,600 feet of 8-inch water main and replace 16" water valves along E. 64th St., between McKinley Ave. and E. Portland Ave. The total project cost is \$801,429.89, plus a 15 percent contingency, for a cumulative total of \$921,644.37, plus applicable taxes. 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 as it will improve project delivery, reduce project costs, improve system reliability, and consolidate construction disturbance to residents and businesses. In response to Board inquiries, Mr. Saghafi explained that the increased pressure is based on the supply zone and anticipated completion is in five months.

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

D-3 Resolution U-11457 – A resolution declaring as surplus the Graham substation transformer no longer needed for Tacoma Power's current or future needs and authorizing the sale of such surplus equipment to the highest responsive bidder

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Sean Veley, Sr. Power Field Operations Supervisor, summarized the resolution. Tacoma Power originally acquired for public utility purposes one (1) 25 MVA distribution transformer and has determined that the equipment listed is no longer necessary for providing continued public utility service due to age, reliability and damage, and is deemed surplus to Tacoma Power's needs pursuant to the applicable provisions in RCW 35.94.040 and TMC 1.06.272-278. The equipment has an estimated resale value of \$40,000. Tacoma Power requests that the Board, pursuant to the applicable requirements of RCW 35.94.040 and TMC 1.06.272-278, declare the one (1) 25 MVA distribution transformers surplus to Tacoma Power's needs, and authorize Tacoma Power to sell the transformers at a bid sale(s) to the highest responsive bidder(s). In response to a Board inquiry, Mr. Veley shared that a new transformer costs north of \$900,000.

In accordance with RCW 35.94.040 and TMC 1.06.276, a public hearing on the surplus of this equipment was held. There was no public comment. Voice vote taken and carried. The resolution was declared adopted.

D-4 Resolution U-11458 – A resolution declaring as surplus the Pioneer substation transformers no longer needed for Tacoma Power's current or future needs and authorizing the sale of such surplus equipment to the highest responsive bidder

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Sean Veley, Sr. Power Field Operations Supervisor, summarized the resolution. Tacoma Power has determined that the equipment is no longer necessary for providing continued public utility service due to age, reliability and damage, and is deemed surplus to Tacoma Power's needs pursuant to the applicable provisions in RCW 35.94.040 and TMC 1.06.272-278. The equipment has an estimated resale value of \$60,000. Tacoma Power requests that the Board declare the two (2) 56MVA Substation Transformers surplus to Tacoma Power's needs and authorize Tacoma Power to sell the transformers at a bid sale(s) to the highest responsive bidder(s).

In accordance with RCW 35.94.040 and TMC 1.06.276, a public hearing on the surplus of this equipment was held. There was no public comment. Voice vote taken and carried. The resolution was declared adopted.

D. Reports of the Director

Q1 2024 Budget Performance Update

Director Flowers called on Alex Yoon, Deputy Director for Administration, to provide a report on the first quarter 2024 budget performance reports for Power, Water, and Rail. Ms. Yoon presented the key budget information, covering revenues and expenditures, for each of the operating divisions.

Tacoma Water: Water Year Forecast

Water Superintendent Dewhirst announced that it is national drinking water week and the fiftieth anniversary of the safe water act, which set national drinking water standards.

Glen George, Water Resource Manager, reported that the first half of April was very dry, but the second half wet, which will help with water supply. Snowpack peaked in March with about half of average snow accumulation in the Green River watershed; river levels remain below normal. Although a drought was recently declared for most of Washington State, Tacoma's municipal supply remains adequate to meet anticipated consumption needs. Tacoma Water will continue to monitor river recession rates and overall water supply transitioning into summer usage patterns. Spring rainfall may improve with late spring. El Nino conditions are weakening but remain present, which statistically trend toward warmer and drier weather in Washington. Current forecasts show La Nina may develop by late summer or early fall. Daily water consumption is below the old winter average. Tacoma Water continues to recommend customers use water wisely.

Director Flowers provided then followed up with the Board on public comment received at the April 24, 2024, PUB meeting. Regarding Cowlitz Fisheries, Chair Watson acknowledged the reports and comments on this topic and expressed appreciation for the time taken to share points of view. Chair Watson shared that Tacoma does not have fisheries management or regulatory authority; therefore, the TPU Board wouldn't be the appropriate forum for fish and hatchery management discussions. Tacoma is committed to working in a partnership with the fisheries managers and regulators at the Fisheries Technical Committee. That Committee, along with the annual program review, are the appropriate engagement forums.

Director Flowers informed the Board that follow-up has been conducted with the gentleman who shared his AMI meter concerns and he's been provided with additional information on the smart meter opt-out program.

Director Flowers then outlined the benefits to employees participating in competitions when attending conferences. Attendance at conferences is to maintain certifications and any competitions are done on the employees' own time. These competitions provide employees the opportunity to hone their skills, practice their crafts, and learn about the operational industries.

E. Board Comments

Mr. O'Loughlin echoed Director Flowers' comments about the benefits of employees participating in competitions while attending mandatory conferences as it helps employees to manage crisis encountered in the field when practiced in a controlled environment.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at p.m. until Wednesday, May 22, 2024, for a study session at 3:00 p.m., followed by a regular meeting at 6:30 p.m.

Approved:



Carlos Watson, Chair



William Bridges