



APPROVED 3/27/24

MINUTES
City of Tacoma
Public Utility Board Meeting
March 13, 2024
6:30 p.m.

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

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

Minutes of the Previous Meetings

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

Comments by the Public

There were no public comments.

Recognitions

Chair Watson moved to suspend the rules to hear walk-on commendatory Resolution U-11440 for Ken Ostrus; seconded by Mr. O'Loughlin. Voice vote to suspend the rules was taken and carried. The commendatory Resolution recognizing Mr. Ostrus' dedication and hard work for TPU was read. Board Members made positive remarks about Mr. Ostrus' service. There were no comments from the public. Voice vote to adopt the resolution was taken and carried.

Regular Agenda

- C-1 Resolution U-11441 - A resolution to award certain contracts and approve certain purchases:
1. Award three-year contract to Parametrix, Inc., for on-call project management support services to support the successful delivery of Power Shared Services construction projects (\$2,000,000, plus applicable taxes. Includes option to renew for two additional one-year periods for a projected contract amount of \$3,000,000, plus applicable taxes) [Ryan McLaughlin, Project Delivery Manager];
 2. Award contract to Brown and Caldwell for engineering services related to evaluation of wellfield treatment (\$583,998, plus applicable taxes) [Kim DeFolo, Principal Engineer].

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

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

C-2 Resolution U-11442 – Authorize execution of a letter of agreement as negotiated with the Tacoma Joint Labor Committee regarding standby rates.

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

Dylan Carlson, Labor Relations Division Mgr, summarized the resolution. The City and the Tacoma Joint Labor Committee negotiated a letter of agreement regarding standby rates. Through applicable Collective Bargaining Agreements (CBAs) with individual member unions, the City has long provided employees assigned to “standby” responsibility with additional compensation in recognition of the inconvenience of this responsibility. The City and Joint Labor have met and expressed a shared desire to: Ensure consistency and standardization of Standby rates of pay across all Joint Labor member unions; Delegate specific work rules to individual collective bargaining agreements; Increase standby rates of pay to meet the business needs of City departments and compensate employees for the responsibility of serving on standby; and Provide those bargaining units with closed collective bargaining agreements the opportunity to access this standardized standby rate of pay prior to the re-opening of their CBAs. The LOA provides for the addition to the 2023-2024 Joint Labor agreement of a new section titled “standby rates,” and bargaining units who, through their individual collective bargaining agreements, have elected the standby rate provided for by this section shall receive three dollars (\$3.00) for each hour so assigned. Retroactive to January 1, 2024, the standby rate shall increase to three dollars and seventy-five cents (\$3.75) for each hour so assigned. Effective January 1, 2025, the standby rate shall increase to four dollars and fifty cents (\$4.50) for each hour so assigned. The parties agree not to re-open or make proposals regarding the 2025 standby rate of pay during successor negotiations to the 2023-2024 Joint Labor agreement, and the parties further acknowledge that changes to the 2026 standby rate of pay are a mandatory subject of bargaining during successor negotiations to the 2023-2024 Joint Labor agreement.

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

C-3 Resolution U-11443 – Authorize execution of a collective bargaining agreement as negotiated with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, General Unit

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

Dylan Carlson, Labor Relations Division Mgr, summarized the resolution. The City and the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, General Unit (IAM&AW), have negotiated a proposed Collective Bargaining Agreement. The three-year proposed agreement covers approximately 91 budgeted, full-time equivalent positions, with 24 positions located within TPU. This proposed agreement includes a wage increase in each year of the agreement: retroactive to January 1, 2024, an increase of 2.75 percent will be provided; effective January 1, 2025, an increase of 2.75 percent will be provided; and effective January 1, 2026, an increase of 3 percent will be provided. Other changes to the agreement include: Revising the contract language section for union membership and dues to conform with the Janus decision; Adding clarifying language regarding response to emergency calls and texts; Addition of an application of rate for a Heavy Equipment

Mechanic when performing an inspection requiring a NGVi CNG Fuel System Inspector certification; An application of rate for a WWTP Maintenance Technician, WWTP Maintenance Machinist, or Solid Waste Mechanic when operating a boom truck; An increase to the application of rate from 2 percent to 5 percent for a Fire & Marine Diesel Mechanic for holding an International Organization for Fluid Power and Motion Control Professionals (IFPS) Mobile Hydraulics certification. The proposed agreement also provides that standby pay shall be compensated at the rate prescribed by the Joint Labor Committee agreement.

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

C-4 Resolution U-11444 – Authorize execution of a collective bargaining agreement as negotiated with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Tacoma Rail Mechanics Unit

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

Dylan Carlson, Labor Relations Division Mgr, summarized the resolution. The City and the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Tacoma Rail Mechanics Unit (IAM&AW), have negotiated a proposed Collective Bargaining Agreement. The three-year proposed agreement covers approximately 15 budgeted, full-time equivalent positions located within TPU. The proposed agreement includes a wage increase in each year of the agreement: retroactive to January 1, 2024, an increase of 2.75 percent plus a 2.25 percent market adjustment for a total increase of 5 percent will be provided; effective January 1, 2025, an increase of 2.75 percent plus a 2.25 percent market adjustment for a total increase of 5 percent will be provided; and effective January 1, 2026, an increase of 3 percent plus a 2 percent market adjustment for a total increase of 5 percent will be provided. Other changes to the agreement include: An increase to the amount paid for an annual safety footwear allowance from \$350 to \$400; The addition of a reimbursement provision for prescription safety eyewear up to \$225; Clarification of language around the annual vacation bidding process; and addition of language that requires an employee to provide a minimum of 1-hour notice of an absence to qualify for an MPSL designation.

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

C-5 Resolution U-11445 – Authorize execution of a collective bargaining agreement as negotiated with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Yard Clerk Unit

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

Dylan Carlson, Labor Relations Division Mgr, summarized the resolution. The City and the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Yard Clerk Unit (IAM&AW), have negotiated a proposed agreement. The three-year proposed agreement covers approximately five budgeted, full-time equivalent positions located within TPU. The proposed

agreement includes a wage increase in each year of the agreement: retroactive to January 1, 2024, an increase of 4 percent will be provided; effective January 1, 2025, an increase of 4 percent will be provided; and effective January 1, 2026, an increase of 2 percent will be provided. The proposed agreement provides that each Yard Clerk employed on the date of union ratification will receive a lump sum payment of \$2,000.00. Other changes to the agreement include: The addition of Juneteenth as a City holiday; Language to provide that a Yard Clerk promoted from a position that has the provision of City paid retiree medical will carry that benefit forward with them to the Yard Clerk classification; A change to the method for an annual PTO cash out to be consistent with TMC 1.12.248.B.5(e); and the addition of a Voluntary Employee Beneficiary Association (VEBA) for eligible Yard Clerk employees. Eligible Yard Clerk employees are those that do not have the provision of City paid retiree medical coverage. The City will provide a lump sum payment for the eligible employees to the VEBA based on the employee's years of aggregate service multiplied by the 2024 monthly medical reported plan value, and employees will also make a bi-weekly contribution of \$100 to the VEBA and contribute the value of unused PTO upon retirement. The Union can change the amount of the employee contributions to the VEBA no more than once per year, with 30 days' notice.

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

C-6 Resolution U-11446 – Declare surplus and authorize the no-cost transfer of approximately 13,000 square feet of Tacoma Power vacant property located at 1801 North Orchard Street, identified as Pierce County Assessor Tax Parcel No. 7475022110 in the City of Tacoma to Tacoma/Pierce County Habitat For Humanity for the development of affordable housing

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

Greg Muller, Sr. Real Property Officer, summarized the resolution. Tacoma Power originally acquired the property located at 1801 North Orchard Street for public utility purposes, and such property was formerly known as the Downing Substation. In 2009 the property was declared surplus to Tacoma Power's needs and no longer necessary for continued utility operations by Resolution No. U-10270 and City Council Resolution No. 37730 but failed to sell through a sealed-bid process. In 2013, the Board passed Resolution No. U-10663 and the City Council, after a public hearing, passed Resolution No. 38784, authorizing the conveyance of the property through a negotiated sale. The sale of the property was never finalized as the buyer failed to complete the transaction; and the property was then offered to the Puyallup Tribe who did not express any interest. In 2021, the property was among six parcels included in a request for proposal process for affordable housing under RCW 39.33.015 and the only party that expressed an interest in the property was the Tacoma/Pierce County Habitat for Humanity. The Tacoma/Pierce County Habitat for Humanity agreed to develop the property as affordable housing in accordance with a development agreement negotiated by the Community and Economic Development Department with Tacoma Power and Real Property Services approval.

Liz Crouse of Habitat for Humanity made public comment. Ms. Crouse outlined Habitat for Humanity plans to develop this former Tacoma Power substation property for

affordable housing to construct four units of cottage style houses for low-income households. Ms. Crouse made positive remarks about this resolution.

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

C-7 Resolution U-11447 – Adopt revisions to the Tacoma Public Utilities Surplus Real Property Disposition Policy to better align TPU in-city affordable housing dispositions with the Policy for the sale/disposition of city-owned General Government Real Property and to clarify various provisions related to Tribal and other Government offerings.

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

Dylan Harrison, Principal Real Property Officer, summarized the resolution. On March 31, 2020, through Resolution No. U-11144, the Board approved the current TPU Surplus Real Property Disposition Policy. Since its adoption, certain policy provisions have been identified as needing more clarification, as follows: Align in-City affordable housing requirements with the General Government Policy and future amendments; Provide Tribal Notifications based on State Department of Historical and Archeological Maps; Application of the Policy only to properties not necessary for utility operations/projects; Offer properties to Tribes and other Governments only when such conveyance is feasible.

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

C-8 Motion 23-08 – That in accordance with Article IV, Section 4.18 of the Tacoma City Charter, the Board has completed an annual performance review of Jackie Flowers, the Director of Utilities, and now approves the annual performance review as on file with the Clerk of the Board; the Board also approves an increase in compensation from Step 1 to Step 2, which is a \$20,467.20 increase to \$430,144.00 annually, effective as of May 3, 2024, and approves an award of 4 incentive days pursuant to TMC 1.12.345.C, and approves an award of 16 administrative leave days pursuant to TMC 1.12.250(C)(2), to be used within 12 months.

Mr. O’Loughlin moved to approve the motion; seconded by Mr. Bridges.

Mr. O’Loughlin made positive remarks about Director Flowers’ performance. Mr. O’Loughlin stated he hopes this motion sends the message to the Director that the Board values and appreciates the work she’s doing. The Board wants the Director to feel supported and endorsed.

Ms. Claus-McGahan stated that the Director is a woman in a male-dominated industry, and she pulls in other women leaders. The Director acts as a mentor and is an example of how we can do better in this world. Ms. Claus-McGahan expressed appreciation for the Director’s public involvement and collaborative style.

Ms. Gallagher remarked that she has experienced Director Flowers' leadership both as a staff member and a Board Member and expressed appreciation for the Director's inspiration and example in the community.

Mr. Bridges remarked that TPU is fortunate to have Director Flowers and expressed that he hopes she remains here and thanked her for her service.

Mr. Watson echoed the sentiments of his fellow Board Members and thanked Director Flowers for all she does.

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

D. Reports of the Director

Director Flowers expressed appreciation for all the Board comments and thanked TPU staff for its work and dedication that make her job rewarding.

Scott Dewhirst, Water Superintendent, provided an update on federal funding of the Howard Hanson Dam. President Biden released the budget and it included \$500M of funding to complete downstream fish passage at Howard Hanson Dam. This funding is over and above monies already received for this project. Tacoma Water is the non-federal sponsor, and the Army Corp of Engineers receives the funding. Tacoma Water relies on Howard Hanson Dam for water storage and municipal storage in the summer months. Mr. Dewhirst thanked Senator Patty Murray for her leadership and her work on the appropriations committee to secure this funding and thanked all project partners. The project should now be fully funded for completion. Director Flowers added that this is the largest habitat expansion opportunity in the Puget Sound for salmon, which also benefits southern resident orcas. Other benefits include supply and flood control.

E. Board Comments

There were no final comments from the Board.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:20 p.m. until Wednesday, March 27, 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, Secretary