



APPROVED 11/13/24

MINUTES
City of Tacoma
Public Utility Board Study Session
October 23, 2024
3:00 p.m.

Chair O'Loughlin 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: John O'Loughlin, William Bridges, Elly Claus-McGahan, Anita Gallagher

Excused: Carlos Watson

Tacoma Water: Community Outreach Workforce Planning Project

Val Sowell, Water Workforce Development Manager; Shantel Broussard, Sr. Business Services Analyst; Deanna Pollard, Operations Manager; and Ben Schuetz, Operations Manager, presented the information in this presentation. Tacoma Water has had the Tacoma Training and Employment Program (TTEP) in place since 1999. Since then, there have been 34 program participants, resulting in 16 permanently placed employees. The purpose is to advance equity and diversity of the workforce so that the workforce reflects the community it serves. Another purpose is to increase the number of Tacoma households that have livable wage jobs. The current project began in January of 2021: There are three full-time project positions in the water utility worker classification; seven project employees have been hired; four project employees have been permanently placed; and two employees are currently in project positions. Wages start at \$31.76; minimum qualifications are a high school diploma/GED and driver's license. Benefits of these project positions are to gain real life career experience and earn a living wage; strengthen resume and prepare for a career in the trades; learn skills and knowledge to prepare for the civil service test; and the top ten raking allows for direct hire into a permanent position. Staff will bring forth a request for Board consideration to fund this project from 2025 to 2028 at the November 13 meeting.

Emergency Management: Continuity of Operations Plan

Courtney Rose, TPU Emergency Manager, described emergency management as actions that develop, sustain, and/or enhance response capabilities needed in the event of an incident or disaster. It includes both short-term and long-term plans, mitigation and prevention elements, and activities that reduce damage and expedite recovery. Types of plans and uses specific to emergency management were summarized. These include programmatic documents (policies and plans that establish direction and guidance for TPU's emergency management program; utility wide plans and guidance

(utility wide plans that support components of strategic plans established roles, responsibilities, tasks, and integration); and division-specific plans/procedures (plans that define site or hazard-specific response processes and procedures). COOP (Continuity of Operations Plan) elements were then summarized. The COOP is an effort to ensure that TPU's mission essential functions continue to be performed during a wide range of emergencies. COOP phases: 1) Readiness/preparedness; 2) Activation/relocation; 3) Continuity of Operations; 4) Reconstitution/recovery. Ms. Rose then provided an overview of roles and responsibilities, essential functions, program management, and supporting annexes. Next steps include continue plan refinements and updates, securing equipment, and continuing with training and exercises.

Tacoma Rail: Short Line Safety Institute Assessment

Kyle Coen, Principal Safety Consultant, and Josh Banks, Rail Operations Manager, provided the information in this presentation. The Federal Railroad Administration (FRA) collaborates with the Short Line Safety Institute (SLSI). The SLSI was established in 2015 and has been conducting voluntary, non-punitive, confidential safety culture assessments. The assessment was offered to all Rail employees. The survey assessment score and the difference between the 2018 and 2024 scores were highlighted. There were 10 core elements: Leadership commitment to safety; Practices for continuous learning; Safety prioritization; Reporting systems/accountability; Safety conscious work environment; Personal responsibility for safety; Communication; Mutual trust; Fair/consistent response to safety concerns; and Training resources. Requesting this SLSI assessment and implementing recommendations closely align with multiple objectives in the Rail strategic plan and several Board's Guiding Principles.

Tacoma Rail: Biennium-End Budget Adjustment

Dan McCabe, Rail CIO/CFO, shared that line haul volumes are greater than anticipated and revenues are projected to be over budget. Expenditures are also projected to be over budget. This is offset by line haul revenues. Rail is seeking authorization for budget spending authority on the gross earnings tax, sales tax, locomotive fuel, locomotive oil, and capital outlay. Charts of the financial outlook and adjustment request were detailed. This request will come before the Board at its November 13 meeting, followed by Council consideration.

Tacoma Power: Day Ahead Markets

Chris Robinson, Power Superintendent; Ray Johnson, Power Manager; and Leah Marquez-Glynn, Assistant Section Manager, provided the information in this presentation. There are organized energy markets in the United States, and they are prevalent. In a Day Ahead Market (DAM), a software tool selects what generation will meet load optimally at the lowest cost for a whole day. Participants in the market decide and bid what their generation will cost to run. The west is moving quickly to an organized energy market. The changing resource mix drives the need for greater sharing of resources across a broader footprint. Utilities are faced with two options: 1) join the California Independent System Operator (CAISO) day ahead market (EDAM) or

the Southwest Power Pool (SPP) Markets+. The presence of day-ahead markets in the west will impact all trade in the west; maintaining the status quo isn't an option. The market Power joins will have significant and financial impacts for decades to come. DAMs provide a common resource adequacy program that improves regional reliability. Its optimal dispatch of resources makes it less expensive to serve load and is a more efficient use of the transmission system and has more effective integration of variable resources like wind and solar. A well-designed DAM should capture the value of hydro flexibility. Market alternatives and the recommendation to join SPP Markets+ were detailed. The implementation and cost were then detailed.

Board/Director Comments/Updates

Chair O'Loughlin informed the Board of his intention to have an efficient timeline for the Director's evaluation process next year.

Chair O'Loughlin informed the Board that the issue of Board compensation will be scheduled before the GPFC.

Director Flowers provided a summary the gross earnings tax matter that will come before the Council.

Board Member Claus-McGahan made positive remarks about Glen Georges' responses to community questions about water resource adequacy while attending a budget/rates outreach event.

Jessica Knickerbocker, Assistant Water Superintendent, provided an update on the Army Corp of Engineers contract award for the Howard Hanson Dam. Ms. Knickerbocker also informed the Board that lead validation was submitted to the state and no lead was found in Tacoma Water's service area. This information will be added to the website.

Adjournment

The study session was adjourned at 6:07 p.m.

Approved:



John O'Loughlin
Chair



Elly Claus-McGahan
Secretary