



APPROVED 7-8-2020

MINUTES
City of Tacoma
Public Utility Special Board Meeting
June 24, 2020
3:00 p.m.

Chair Larkin called the Public Utility Board meeting to order at 3:01 p.m. in the auditorium at Tacoma Public Utilities.

Present: Karen Larkin, Bryan Flint. Via Zoom: Christine Cooley, Carlos Watson, Mark Patterson

The meeting was quorate.

Minutes of the Previous Meetings

Mr. Flint moved that the minutes of the previous meetings be adopted; seconded by Ms. Cooley. Voice vote was taken and carried. The minutes were declared adopted.

D-1 Resolution U-11168 – Authorize adoption of Public Utility Board Strategic Directive No. 7 (SD7) on Reliability and Resiliency.

Mr. Flint moved to adopt the resolution; seconded by Ms. Cooley.

Mr. Patterson summarized Strategic Directive Seven. The purpose statement of this directive is that TPU will reliably deliver to its customers the power, water, and rail services they need to rebound quickly from all interruptions in such service delivery. Mr. Patterson commented on the timeliness of this directive in light of current events.

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

D-2 Resolution U-11169 – Authorize adoption of the Public Utility Board Strategic Directive No. 8 (SD8) on Telecom.

Mr. Flint moved to adopt the resolution; seconded by Ms. Cooley.

Chair Larkin summarized Strategic Directive Eight. The purpose statement of this directive is that TPU owns a hybrid fiber coaxial (HFC) network, portions of which it uses for its own operational needs and leases out the excess capacity to generate incremental economic value for the electric utility. The Telecom Strategic Directive directs the full utilization of the capability and capacity of the HFC network to ensure maximize return on investment, continued public ownership of the HFC network, and value creation for the public and communities served. TPU is changing the scope of the past Click! public – private partnership, so the private partner can provide the retail video services in a quickly evolving

technology and business environment. The industry standard for this model consists of the network owner, Tacoma Power, granting an Indefeasible Right to Use the network's capacity that is not required for power system needs. Tacoma Power will retain network maintenance responsibilities locating, splicing, repair and relocation on the portion of the network that includes power system functions. Chair Larkin emphasized the importance of measurements and that measurements and regular reporting are in place. Chair Larkin also expressed appreciation to Rainier Connect for their work to maintain service during the transition that took place during an emergency declaration.

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

D-3 Resolution U-11170 – Authorize adoption of Public Utility Board Strategic Directive No. 9 (SD9) on Economic Development.

Mr. Flint moved to adopt the resolution; seconded by Ms. Cooley.

Board Member Cooley summarized Strategic Directive Nine. The purpose statement of which is utilities are an asset that can aid in improved quality of life for all TPU customers and stakeholders. TPU supplies critical resources to the communities it serves, and provides the foundation for building a strong and resilient economy, which will ultimately result in more revenue for TPU. Board Member Cooley made positive remarks on the fact that all of the Board's Strategic Directives are interconnected and also highlighted the importance of economic development.

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

D-4 Resolution U-11171 – Authorize execution of a series of Letters of Agreement as negotiated with the International Brotherhood of Electrical Workers Local 483, Customer and Field Services, Court Clerks, Human Resources, Supervisors, Tacoma Power, Tacoma Water, and Water Pollution Control Units [Dylan Carlson, Senior Labor Relations Manager].

Mr. Flint moved to adopt the resolution; seconded by Ms. Cooley.

Dylan Carlson, Senior Labor Relations Manager, summarized the resolution. This action will address the impacts of Janus v. AFSCME Council 31 court case and changes to RCW 41.46 as it relates to union dues and fees. The agreements provide that the collective bargaining agreement be replaced in its entirety to reflect the language in the unit's respective letter of agreement. This agreement is scheduled for consideration by the City Council on July 7, 2020.

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

D-5 Resolution U-11172 – Authorize execution of a collective bargaining agreement as negotiated with the Washington State Council of County and City Employees, Local 120 [Dylan Carlson, Senior Labor Relations Manager].

Mr. Flint moved to adopt the resolution; seconded by Ms. Cooley.

Dylan Carlson, Senior Labor Relations Manager, summarized the resolution. This agreement is for one year and provides for a general wage increase of three percent, retroactive to January 1, 2020. It adds a new classification of Buyer, Intern to the bargaining

unit; and also provides bargaining unit employees within the Tacoma Police Department, a one-time, lump-sum payment of \$500 for 2020 in recognition of their assistance in the department's CALEA accreditation and successful maintenance of that accreditation. This agreement modifies language in Article 4 (Union Membership and Dues) to reflect legal requirements based on the Janus v. AFSCME Council 31 court case; and adds an optional grievance mediation step in Article 5 (Grievance Procedure); and clarifies the process for employees to request a job audit by the HR Department. This agreement is scheduled for consideration by the City Council on July 7, 2020.

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

D-6 Resolution U-11173 – Authorize execution of a collective bargaining agreement as negotiated with the International Brotherhood of Electrical Workers, Local 483, Clerical Unit [Dylan Carlson, Senior Labor Relations Manager].

Mr. Flint moved to adopt the resolution; seconded by Ms. Cooley.

Dylan Carlson, Senior Labor Relations Manager, summarized the resolution. This agreement is for one year, and provides for a general wage increase of three percent, retroactive to January 1, 2020. The agreement clarifies language in Article 2 (Union Recognition), regarding the employment status of city employees who are part of the Union, and may desire to act as the Union Business Manager/Representative; and to reflect legal requirements based on the Janus v. AFSCME Council 31 court case. It also amends the language in Article 9 (Grievance Procedure) to provide for an optional step of grievance mediation; and provides bargaining unit employees within the Tacoma Police Department a one-time lump-sum payment of \$500 for recognition of their assistance in the department's CALEA accreditation and successful maintenance of the accreditation. This agreement is scheduled for consideration by the City Council on July 7, 2020.

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

D-7 Resolution U-11174 – Amend the existing Department of Public Utilities Fleet Services Fund ordinance to transfer operating division fleet assets to the divisions for funding flexibility while maintaining the purchasing and maintenance responsibilities within TPU Fleet Services [Travis Metcalfe, Assistant Power Section Manager].

Board Member Flint moved to postpone Resolution U-11174 to the next meeting of July 8, 2020 in order to allow staff additional time to make necessary corrections to the legislation; seconded by Board Member Cooley. Voice vote taken and carried.

D-8 Resolution U-11175 – Authorize approval and execution of an easement agreement for the granting of an easement across Tacoma Power's property to the Tacoma Sportsmen's Club, Inc. [Greg Muller, Real Estate Officer].

Mr. Flint moved to adopt the resolution; seconded by Ms. Cooley.

Greg Muller, Real Estate Officer, summarized the resolution. Tacoma Sportsmen's Club has been utilizing the easement area for ingress and egress and utilities to their property. In order to solidify the club's rights to use the easement area, Tacoma Power has agreed to the proposed easement agreement for consideration of \$235,000, which is believed to represent fair market value for the easement. The terms and conditions have been reviewed by the City Attorney's Office, Tacoma Power, and Real Property Services.

In response to a Board inquiry about any easement restrictions that may be in place, Mr. Muller stated that all anticipated and allowed uses are in the agreement, which says there won't be substantial development and it will be for club usage.

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

D-9 Resolution U-11176 – Authorize the amendment and extension of the existing water supply agreement with WestRock for one year and allow four additional annual one-year extensions by mutual agreement of the City and WestRock. [Scott Dewhirst, Water Superintendent].

Board Member Flint moved to postpone Resolution U-11176 to the next meeting of July 8, 2020 in order to allow staff additional time to make necessary corrections to the legislation; seconded by Board Member Cooley. Voice vote taken and carried.

Reports of the Director

Covid-19 Update

Director Flowers shared that it has been 117 days since the emergency response has been activated. The Continuity of Operations planning is in existence and continues to be developed. Staff continues to reconfigure the lobby and work spaces in anticipation of additional phases opening. Other phase three work involves Fleet and pool vehicles, gym, and common/meeting spaces. Staff will continue to telework as long as possible and face coverings have been provided to employees. Director Flowers then shared the latest Emergency Assistance Program data. As of June 22, 2020, \$663,581 of the \$2,400,000 remains of the assistance and 3,735 households have been assisted; 12,250 applications have been received; 9,640 applicants approved; 2,589 applications denied.

Moss Adams Audit Exit Conference

Olga Darlington, Partner at Moss Adams, provided an overview of the TPU operating division audit, which ended on May 18, 2020. Audits and reports on each division's internal control and compliance over the finances are reported in accordance with Government Auditing Standards. Areas of audit emphasis include internal control environment, treasury, capital assets, debt activity, pension, revenues, and expenses. There are no audit findings and no material weaknesses in internal controls were found.

Advanced Meter Communication Update

Carrie Mantle, Community Relations Officer, provided an overview of the deployment customer communications plan and the five specific residential customer communications that will be sent before meter installment. Communication materials will be available in multiple languages. Ongoing community outreach activities were also reviewed. These include Tacoma neighborhood councils, City Council, Black Collective, community organizations, franchise cities, and the joint municipal action committee. Discussion ensued with Board Members requesting staff communicate directly in writing with community leaders so that they can be in a position to answer questions if asked in their community groups.

Tacoma Power Integrated Resource Plan Update

Rachel Clark, Resource Planning Manager, provided an overview of the Integrated Resource Plan (IRP) analysis process and shared a graphical illustration showing that Tacoma Power does not have enough resources if the contract with the Bonneville Power Administration (BPA) isn't renewed in 2028. Ms. Clark walked through the portfolio list, how portfolios are evaluated, and how the IRP metrics relate to the Board strategic directives. Future scenarios and how Tacoma Power accounts for resource uncertainty was discussed. Sensitivities include climate change, new large loads, loss of a large industrial load, and BPA

resource dedication. The IRP needs to be submitted to the state regulators by September 1, 2020. Ms. Clark provided an overview of the stakeholder engagement plan and updated the Board on the steps taken to date, which include public workshops, web page, events, and social media.

Strategic Directive 10 on Government Relations

The next Board Strategic Directive to be reviewed and adopted is Strategic Directive Ten (SD10) on Government Relations. Board Member Flint will take the edits received from Board Members and staff to create an updated draft for future Board consideration.

Comments by the Board

Board Member Flint acknowledged Karen Larkin's year as Chair of the Board. Ms. Larkin has agreed to extend her appointment through September to provide continuity of leadership during the emergency declaration and budget preparation season. Mr. Flint made positive remarks outlining Ms. Larkin's excellent work as Chair and her dedication to her service as a Board Member.

Executive Session

Chair Larkin moved to convene an executive session at 5:25 p.m. for 90 minutes for the purpose of considering the minimum price at which real estate will be offered for sale or lease per RCW 42.30.110(1)(c)); seconded by Board Member Patterson and approved by the Board. Chair Larkin announced that after the conclusion of the executive session, the Board would not take any further action and the meeting would be adjourned. Chair Larkin moved that at the conclusion of the executive session, the Clerk of the Board is authorized to adjourn the meeting; seconded by Mr. Flint and approved by the Board. The executive session was adjourned at 6:33 p.m.

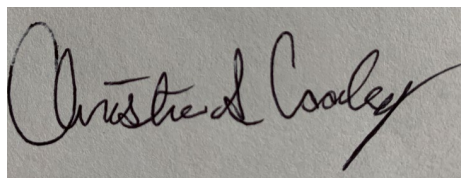
Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 6:33 pm. until Wednesday, July 8, 2020 for a meeting at a time to be determined.

Approved:



Bryan Flint, Chair



Chrissy Cooley, Secretary