



APPROVED 9/28/22

MINUTES  
City of Tacoma  
Public Utility Board Meeting  
August 24, 2022  
6:30 p.m.

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

**Present:** Chrissy Cooley, John O’Loughlin, Holland Cohen, William Bridges, Carlos Watson

The meeting was quorate.

**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 comments by the public.

**Recognition**

Christina Turner, Social Responsibility Manager, announced that TPU won public campaign of the year for last year’s United Way campaign. This year’s campaign kicks off on September 14. Ms. Turner outlined the goals of the campaign and stated this year’s theme is ‘tackling poverty at its roots’. Emily Mendez-Bryant and Mike Goodall of the United Way expressed appreciation to TPU for all its work with the United Way and outlined the benefits of participating in the campaign. Ms. Turner concluded by outlining the many events and ways to give.

**Regular Agenda**

D-1 Resolution U-11336– Award contracts and approve purchases:

1. Increase contract to Sensus USA, Inc., for additional hardware purchases for smart meters and maintenance and growth needs (\$3,000,000, plus applicable taxes. Cumulative total \$36,330,000, plus applicable taxes) [Andre Pedferri, Advanced Meter Program Manager];
2. Award contract to Ceccanti, Inc., for the construction of a five-million gallon, welded steel reservoir and installation of a booster pump station (\$8,933,025, plus a 15 percent contingency for a cumulative total of \$10,272,978.75, plus applicable taxes) [Carol Powers, Principal Engineer].

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

In response to a Board inquiry about costs on item number one, Andre Pedefferri, AMI Program Manager confirmed that the electric meters will be provided at the original quoted prices.

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

D-2 Resolution U-11337 – Authorize adoption of Tacoma Power’s 2022 Integrated Resource Plan (IRP)

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

Rachel Clark, Sr. Power Analyst, summarized the resolution. Washington State law (RCW 19.280) requires Tacoma Power to develop and update resource plans and make them available to the public every two years. Tacoma Power’s last IRP was completed in 2020 and the 2022 IRP is an update to the 2020 IRP, and to be in compliance, the 2022 IRP must be submitted to the Department of Commerce by September 1, 2022. The 2022 IRP identifies a preferred resource strategy similar to the 2020 IRP: 1) Renewal of BPA contract in 2028, and selecting same Slice/Block product, predicated upon BPA’s post-2028 contract product offerings being similar to current contract; 2) Acquisition of all achievable economic conservation identified in Conservation Potential Assessment (CPA); 3) Addition of 10MW of demand response to increase protection against small adequacy risks in the event the Western Grid becomes less reliable; and to prepare for a potential future of accelerated load growth due to vehicle and building electrification; and 4) Continued participation in the Western Resource Adequacy Program (WRAP) to ensure the region builds sufficient capacity and maintains reliability while developing a recommendation on whether to join by the end of the year.

Prior to voting on this resolution, a public hearing was opened in accordance with RCW 19.280.050. There was no public comment.

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

D-3 Resolution U-11338 – Approve a conceptual methodology template for developing an estimate of the full range of cost burden effects imposed by the Climate Commitment Act (CCA).

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

Lisa Rennie, Sr. Power Analyst, summarized the resolution. Tacoma Power is subject to the regulations of the Climate Commitment Act (CCA) concerning the reduction of economy-wide greenhouse gas emissions. The legislature specified that electric utilities, which are subject to the CCA and are also subject to the 2019 Clean Energy Transformation Act, are eligible for ‘no-cost allowances’ under the CCA. No-cost allowances are intended to mitigate for impacts created by the duplicative nature of the two laws, as well as for other costs related to: the impact on rates or charges to customers due to purchases and imports of electricity that has associated carbon emissions, decarbonization of other sectors of the economy through electrification, and administrative costs associated with CCA program participation. The Department of Ecology is conducting a rulemaking process and accepting comments on the proper development of a cost burden methodology. Tacoma Power is requesting that the

Board adopt a resolution to approve a conceptual methodology template to guide staff in developing an estimate of the full range of cost burden effects associated with CCA program participation. Tacoma Power has provided the Board with a narrative of the cost burden factors which are used as inputs to the conceptual methodology template for the CCA Cost Burden Estimate that Tacoma Power recommends for use by Ecology in developing cost burden estimates. Tacoma Power proposes to complete the CCA Cost Burden Estimate template and submit it to the Ecology to inform the agency's assignment of no-cost emissions allowances in advance of the statutory deadline of October 1, 2022, by which Ecology must establish methods and procedures and a schedule for allocating allowances to electric utilities.

In response to a Board request for clarification about certainties and the conceptual template, Ms. Rennie clarified that the Bonneville Power Administration has decided not to join CCA at this time. The California air resource board is just now starting discussions with Ecology, so there will be time before Tacoma will receive solid data. So, Tacoma is submitting the best data available and that's valuable to submit to Ecology now in terms of what kinds of allowances they'll allow Tacoma in 2023.

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

D-4 Resolution U-11339 – Authorize Tacoma Water to enter into a Water Supply Agreement with WestRock

Mr. Watson moved to remove this item from the agenda in order to allow additional preparation time for staff; seconded by Mr. O'Loughlin. Voice vote taken and carried.

D-5 Resolution U-11340 – Authorize Tacoma Water to enter into a partner agreement with Environmental Services for the Madison District Green Infrastructure Project in the amount of \$2,822,965.79

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

Troy Saghafi, Professional Engineer, summarized the resolution. Tacoma Water requests authorization to participate in the City of Tacoma, Department of Environmental Services (Environmental Services) contract for the Madison District Green Infrastructure project. Tacoma Water is partnering with Environmental Services in its project to reconstruct existing roadway with pervious asphalt and hot mixed asphalt. Tacoma Water's work in the project will be to replace a portion of 30" transmission water main with 12 inch ductile iron pipe, and to install approximately 7,500 feet of 6-inch to 12-inch water main along S. 45th St., between S. Union Ave and S. Pine St., S. Puget Sound Ave, between S. 43rd St. and S. 47th St., S. Cedar St., between S. 43rd St. and S. 45th St., and S. Junett St., between S. 43rd St. and S. 47th St. Some of the pipes being replaced were constructed circa 1955 to 1969. The overall project will address storm-water conveyance by improving roadway surface with pervious asphalt, upgrade underground utilities and sidewalks with ADA improvements, and minimize long-term road maintenance. Tacoma Water believes it is in the best interests of the utility to include the water main work in the Environmental Services contract because it will improve project delivery, reduce project costs, mitigate future risks, and minimize construction disturbance to adjacent businesses and the general public. The estimated

cost of the Tacoma Water work concerning the water main replacement is \$2,352,471.49 plus a 20 percent contingency, for a cumulative total of \$2,822,965.79.

In response to a Board inquiry, Mr. Saghafi explained that staff runs two models when considering whether or not to enter into joint work with ES, one hydraulic and one economic. The hydraulic model asks 'will this function make the infrastructure better than today'. The economic model has a lot of variables; i.e. in the case of this particular resolution, there is permeable pavement and 1955 – 1969 water mains. Post WWII water mains are breaking, especially in the fitting areas. Staff consulted with modeling from the construction side. In this particular case, ES is doing movement restoration, creating an opportunity for Tacoma Water to replace the pipes. In this model, the shared cost doesn't include paving; in other modeling benefits to cost ratio are compared. At times, workload has to be factored as well. Mr. Saghafi concluded by confirming that this is a certified green roads project.

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

#### Tacoma Power and Tacoma Water

D-6 Resolution U-11341 – Authorize the continuation of 23 positions and hire an additional three positions in support of the Advanced Metering Infrastructure Project a special project of limited duration.

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

Andre Pedferri, Advanced Metering Infrastructure Program Manager, summarized the resolution. Staff requests approval to extend the time frame for the establishment of the Advanced Metering Infrastructure Project, as a special project of limited duration from a termination date of December 31, 2022, to an end date of December 31, 2024. The AMI project provided for the transfer of 10 temporary positions and the hiring of 19 employees within UTS, Tacoma Water, Tacoma Power, and the Customer Services departments, to work on the integration and implementation phases of the project, to upgrade power and water meters across TPU service territory at all homes and businesses. Approval of the project enabled UTS to staff the planning and design phases of the project with technology and business process subject matter experts. Due to issues created by the COVID-19 pandemic and meter supply chain issues, the implementation of the AMI project has been delayed and the AMI project will not be completed by December 31, 2022, the current end date. Staff is requesting that the project be extended as a special project of limited duration from the current termination date of December 31, 2022, to a new end date of December 31, 2024. Pursuant to the provisions of Section 1.24.187 of the Tacoma Municipal Code, employees who are not regular employees, and are hired as special project employees, are paid as provided for by ordinance or resolution of the City Council.

Board Members made positive remarks about Mr. Pedferri's work as AMI Program Manager, especially during challenging times resulting from the response to the pandemic. Chair Cooley thanked Mr. Pedferri and wished him well in all his future endeavors.

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

## **E. Reports of the Director**

Director Flowers indicated that the March 2022 Financials for Power, Water, Rail, Fleet, Self-Insurance Fund are in written form only and included with the Board materials.

### Strategic Directive One (SD1, Equity and Inclusion) Update

Director Flowers and members of the Equity Committee presented this information. Participating Equity Committee Members were Alice Massara, Val Sherman, Charelle Walls, and John Gaines. Equity was described as when everyone has access to the opportunities necessary to satisfy their essential needs, advance their well-being, and achieve their full potential. TPU's commitments are to track the ethnic, racial, and gender makeup of potential and actual employees for recruitment, workforce, and retention relative to its service territory; track the number of projects, actions, and initiatives by using targeted universalism and its analysis, planning, and implementation framework; and track the diversity of outreach efforts including diversity of participation or audiences reached. Graphs illustrating employee data by race and gender in Tacoma and Pierce County were detailed. The following elements of the program were summarized: Equitable recruitment and selection; Workforce reflecting the community; Equitable service delivery; Water service line grant and loan program; Equitable outreach and engagement; and Equity committee work plan. The presentation concluded with a summary of future elements. These include: Implement recommendations from the workforce equity study; Prioritize addressing turnover and retention; Bill Credit Assistance Program enhancements; Low-income rental energy conservation pilot; Workforce data analytics; and Establishing meaningful partnerships and creating accessible pathways to secure a skilled workforce of the future.

## **F. Comments by Board**

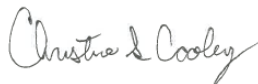
Board Member O'Loughlin shared that he would be supportive of processes that would provide staff flexibility to move budget items around, like FTEs, without budget modifications.

Chair Cooley announced that the Board study session and regular evening meeting of Wednesday, September 14, 2022 will be cancelled; appropriate legal notice will be posted.

## **G. Adjournment**

There being no further business or comments, the Public Utility Board meeting was adjourned at 8:44 p.m. until Wednesday, September 28, 2022 for a study session at 3:00 p.m. followed by a regular meeting at 6:30 p.m.

Approved:



Christine Cooley, Chair



John O'Loughlin, Secretary