

APPROVED 1-23-19

MINUTES
City of Tacoma
Public Utility Board Meeting
January 9, 2019
6:30 p.m.

Chair Jones called the Public Utility Board meeting to order at 6:30 p.m. in the auditorium at Tacoma Public Utilities.

Present: Woodrow E. Jones, Jr., Mark Patterson, Christine Cooley, Bryan Flint, Karen Larkin

The meeting was quorate.

Minutes of the Previous Meetings

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

Recognitions

Chair Jones made comments in support of law enforcement appreciation day and thanked those who protect and serve.

Comments from the Public

Bill Baarsma, former Tacoma Mayor, addressed the Board in his capacity as President of the Tacoma Historical Society (THS). Mr. Baarsma shared images of two items on display at the THS museum, an insulator from a 1916 light pole from the Cushman substation and a water line from the 1930s. THS commissioned an artist to create a display from these items for their current exhibit. After the exhibit, Mr. Baarsma stated THS could loan the items to TPU for display in the lobby. Mr. Baarsma made positive remarks about the anniversary of the women's right to vote, women leaders in Tacoma and Pierce County, and stated that an invite for the THS destiny dinner will be sent to the Board closer to the event.

Mitchell Shook made positive remarks about the upgrade to internet speeds that were put into effect this month.

Consent Agenda

There were no items on the consent agenda.

10302 Regular Agenda

- D-1 Resolution U-11053 – Award contracts and approve purchases:
1. Increase contract with Anixter, Inc., for continued supply of 15kV URD cable terminations and accessories for Tacoma Power's distribution system (\$125,000, plus applicable sales tax. Cumulative total \$325,000, plus applicable sales tax);
 2. Award contract to Pape & Sons Construction, Inc., for the replacement of acquired asbestos cement and plastic water mains in the vicinity of 50th Avenue East and 128th Street East in Pierce County (\$395,044.50, plus applicable taxes);
 3. Increase and extend Memorandum of Agreement with Seattle Public Utilities for laboratory services for Tacoma Water (\$110,916, plus applicable taxes. Cumulative total \$846,253, plus applicable taxes).

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

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

- D-2 Resolution U-11054 - Approve declaration of surplus overhead and pad-mount transformers no longer needed for Tacoma Power's current or future needs and authorize the sale of surplus equipment to the highest responsive bidder.

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

Sean Veley, Power Supervisor, summarized the resolution. The equipment on the surplus declaration and inventory sheets are considered surplus to Tacoma Power's needs due to their age or condition and are no longer required for providing continued public utility service. Staff recommends these surplus items be advertised and sold to the highest responsive bidder in accordance with applicable state and city laws and the finance department surplus policies. The surplus equipment was originally acquired for public utility purposes and per RCW 35.94.040, its disposal requires approval of a surplus declaration and a public hearing by the Public Utility Board prior to sale. In response to a Board inquiry, Mr. Veley stated that the age of transformers varies by manufacturer, but is normally 30 to 40 years.

Prior to voting on this resolution, a public hearing was held as required by RCW 35.94.040.

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

- D-3 Resolution U-11055 – Authorize the establishment of a special project of limited duration in the Utility Technology Services Section of Tacoma Power to resource the Advanced Metering Infrastructure special project.

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

Andre Pedefferri, Assistant Power Section Manager, summarized the resolution. TPU is requesting to establish a new "Special Project of Limited Duration" to hire 26 positions in

support of the Advanced Metering Program. These positions will support the systems integration and deployment phases of the program beginning January 2019 through 2022. TPU plans to deploy Advanced Metering Infrastructure (AMI) across its water and electric service territories. The AMI Program will involve replacing all non-communicating power and water meters with advanced, two-way communicating electric (with disconnect) and water meters, and installing new AMI two-way communication modules on water meters that are not replaced. AMI technology will capture interval data, enable two-way communications, include remote capabilities, and provide advanced outage/issue detection and verification. Advanced metering will modernize utility operations and improve services to customers. This is required to address an aging meter population, meet customer needs with time access to consumption data, and align TPU with the metering technology common to other utilities in the region. The Advanced Metering Infrastructure Program's objective is to plan, design, build, implement, and stabilize a comprehensive advanced metering solution for TPU that will be critical for delivering a range of benefits to the utilities and their customers. As a transformative initiative, the AMI Program will require a significant effort across Tacoma Public Utilities to implement the new processes, applications, technologies, and integrations needed to fully enable the functions and features of the AMI solution. In addition, customer and stakeholder engagement and organizational change management will be essential to project success. After extensive resource planning and mitigation efforts, TPU recommends approval of the designation which includes the transfer of 10 temporary positions to Project of Limited Duration and providing the hiring of 16 employees within UTS, Tacoma Water, Tacoma Power, and Customer Services.

Board Member Larkin shared that the Board has had several study session presentations on this topic and this is the first step in moving the utility into the digital age. Ms. Larkin added that steps to assist employees during this transition are being taken.

Board Member Flint added that there have been a number of conversations on this and staff did good work to right size and make sure we have enough staff to be effective. This resolution is one of many decisions to be made around AMI. Mr. Flint outlined the many benefits of AMI, including monthly billing, adding that 70 percent of utilities have implemented AMI. Mr. Flint stated it is important to address all concerns as well as the benefits. Mr. Flint stated he's supportive of the resolution and made positive remarks of Mr. Pedferri's work.

Public comment followed:

Mitchell shook made comments in support of AMI. Stephanie Smith spoke in opposition of AMI and outlined her concerns regarding potential rate increases associated with the project. Julie Andrzejewski spoke in opposition to AMI citing privacy concerns and expressed the desire for more public outreach. Wolfe Patton spoke in opposition of AMI citing health radiation health concerns.

Board Member Larkin thanked all who took the time to attend and make comments. Ms. Larkin shared that the FAQs are on TPU's website and that concerns will continue to be addressed.

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

H. Reports of the Director

H-1 November 2018 cash projections for Power, Water, Rail

H-2 November 2018 financials for Power, Water, Rail, Fleet, Self-Insurance Fund

Director Flowers called on Joe Wilson, T&D Manager, for an update on the response to the recent wind storms. Mr. Wilson stated that the storm of January 6 had 40 mph sustained winds with gusts up to 60 mph with 18,000 customers experiencing an outage as two transmission lines were tripped offline. All crews were engaged. In response to a Board request, Mr. Wilson summarized the role of AMI in storm events. The AMI meter would indicate power is out before it goes dark. When power is restored, the utility gets an assertive signal that it is back on. TPU would also have the ability to ping meters as there would be two-way communication. Mr. Wilson added that during an outage, customers can receive information by going to the outage map online. There, customers will find dispatch information and an estimated time of restoration. Customers can also call and there are future plans for TPU to have texts and an app for smart phones. Board Members expressed their appreciation to all crews and the customer service representatives who staffed the outage call center.

Director Flowers called on Steve Hatcher, Customer Services Manager, for remarks on resources for utility bill payments. Mr. Hatcher stated that for customers in need of assistance with paying their utility bills when finances are limited, the City of Tacoma offers a variety of payment options, services, and programs to help. The City also offers free online resources that provide tools and tips for lowering power and water bills. Some customers have voiced concerns about their ability to manage their bills, especially in light of the ongoing partial federal government shutdown. Customers in need of assistance are encouraged to contact Customer Service at (253) 502-8600 to make payment arrangements if needed.

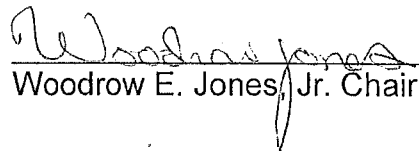
I. Comments by the Board

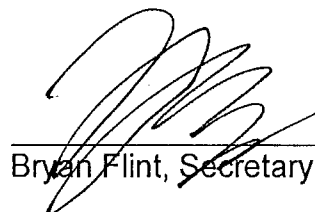
There were no closing comments by the Board.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:21 p.m. until Wednesday, January 23, 2019 for a study session beginning at 3:00 p.m. at Tacoma Public Utilities, followed by the regular meeting at 6:30 p.m. at Tacoma Public Utilities.

Approved:


Woodrow E. Jones, Jr. Chair


Bryan Flint, Secretary