



APPROVED 10-11-23

MINUTES
City of Tacoma
Public Utility Board Meeting
September 27, 2023
6:30 p.m.

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

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

Minutes of the Previous Meetings

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

Comments by the Public

There were no comments by the public.

Regular Agenda

C-1 Resolution U-11404– Award contracts and approve purchases:

1. Award contract to Parametrix, Inc., for owner advisor and construction management services supporting the Tacoma Water Operations Facilities project (\$820,282, plus applicable taxes) [Carol Powers, Principal Engineer].

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

In response to a Board inquiry as to the limited number of responders to the RFP, Carol Powers, Principal Engineer, confirmed that this is the only firm that responded. This firm met the criteria of the selection advisory committee. Follow-up was conducted from the other firms invited to submit. Two responded that they didn’t bid because of the scope of the project was for a building, not water infrastructure. Another firm responded that they desired to be able to submit as part of a design build team, which is a later stage of this project.

Carol Sue Brighton (sp?) made public comments concerning building integrity during an earthquake of significant magnitude. Ms. Brighton made comments in favor of geo-engineering and checking with the state and flood zone maps and other expertise for this project.

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

C-2 Resolution U-11405 – Authorize execution of a letter of agreement as negotiated with the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

Dylan Carlson, Labor Relations Mgr, summarized the resolution. The City of Tacoma and IBEW, Local 483, Tacoma Power Unit, negotiated a Letter of Agreement (“LOA”). The LOA provides for revisions to a previous letter of agreement last amended in 2017 regarding the Joint Apprenticeship Training Programs and changes the title of the classification of Electrical Trainee to Electrical Pre-Apprentice and reduces the pay range from two steps to a single step. The length of employment in the classification has been reduced from 24 months to 12 months from date of hire and during this 12-month period, subject to satisfactory progress, the city may request the Civil Service Board to approve a non-competitive appointment to one of the appropriate apprenticeship classifications. If a permanent appointment is not achieved within twelve (12) months from the original hire date, or satisfactory progress is not made, employment will be terminated. The LOA outlines standard work hours for Electrical Pre-Apprentices and provides that pursuant to WAC 296-45-25505, management shall provide any required Personal Protective Equipment. In addition, the LOA outlines the sections of the Collective Bargaining Agreement that shall not apply to this classification.

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

C-3 Resolution U-11406 – A resolution adopting an update to the Public Utility Board Guiding Principle 14 on Resource Planning originally adopted on September 23, 2020, by deleting the individual ‘values’ section, and updating outcome number three by adding the verbiage ‘including those associated with climate change’ after the last word.

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

Board Member Bridges summarized the resolution. Guiding Principle 14 covers Resource Planning. The original resolution adopting Governing Principle (“GP”) 14 was U-11198, and the following revisions are requested for GP 14 on Resource Planning: Deleting individual “Values” section; Updating outcome #3 by adding the verbiage “including those associated with climate change” after the last word.

Carol Sue Brighton (sp?) outlined concerns about rising water levels and spoke in favor of including such language and looking at the NOAA website for additional information.

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

C-4 Resolution U-11407 – Authorize Tacoma Power to enter into an energy conservation agreement with Forever Green, LLC, a state-licensed marijuana business

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

Alan Fraser, Principal Electrical Engineer, summarized the resolution. In 2012, Washington passed Initiative 502, related to the legalization of marijuana including legal production of marijuana and the Board approved Amended Resolution U-10792, that stipulates certain requirements for providing conservation services to state-licensed marijuana businesses including Board approval of conservation transactions more than \$200,000. Forever Green LLC is a marijuana producer and customer of Tacoma Power that intends to replace existing conventional energy intensive lights with energy efficient LEDs to reduce utility expenses. In support of this installation, the customer is requesting assistance funding through our energy conservation program and the scope of work and equipment meets program rules and is eligible for incentive.

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

C-5 Resolution U-11408 – Authorize Tacoma Power to enter into a Transfer and Consent Agreement with Rainier Connect North, LLC, Mashell, Inc. and Alphaboost Purchaser, LLC that consents to the change of control and change of working control of Rainier Connect North, LLC regarding the Indefeasible Right of Use Agreement effective April 1, 2020.

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

Joe Wilson, T&D Manager, summarized the resolution. On or about March 31, 2020, Rainier Connect North, LLC (“RCN”) and Tacoma Power entered into an Indefeasible Right of Use Agreement (the “IRU Agreement”) providing RCN an indefeasible right of use for the Tacoma Power Commercial System (as defined in the IRU Agreement), subject to certain requirements set forth in the IRU Agreement, including exhibits. Exhibit N of the IRU Agreement contained certain reporting obligations and restrictions on future transfers to preserve competition among providers and in Section 1(a) of Exhibit N, RCN represented and warranted that as of the Effective Date of the IRU Agreement, it was a wholly owned subsidiary of Mashell. Section 2(a) of Exhibit N requires RCN to report annually a list of the names of all persons and entities with voting rights and ownership interests of 5 percent or greater in RCN and according to the most current annual report from RCN, the persons and entities with voting rights and ownership interests of 5 percent or greater in RCN (through their ownership of shares in Mashell) are Brian Haynes, Arne Haynes, and Ronnie Johnson (“Current Owners”). Section 1(b) of Exhibit N provides that any Change of Control (including a change in the ownership of more than 50 percent of the voting rights in RCN) or Change of Working Control (including a change in the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of RCN) is deemed a Transfer under the IRU Agreement requiring the prior written consent by Tacoma Power. Section 1(c) of Exhibit N also provides that RCN will not sell, grant, assign, delegate, or otherwise transfer its rights or obligations under the IRU Agreement to any “Facilities-Based Entity” (as defined in Exhibit N) that has residential broadband or data service market share of twenty-five percent (25 percent) or more of the Tacoma Power Commercial Service Area. Tacoma Power received a letter dated January 12, 2023, from counsel representing RCN and Mashell (RCN’s Affiliate as defined in the IRU Agreement) and counsel representing Alphaboost Purchaser, LLC, describing a proposed transaction whereby the Current Owners would divest their Control and Working Control of RCN, by selling (via a merger transaction) 100 percent of their share ownership interests in

Mashell to Alphaboo (“Proposed Transfer”), and requesting Tacoma Power’s consent to the Proposed Transfer under the IRU Agreement. Subject to the terms and conditions set forth in this Transfer Agreement and the IRU Agreement, Tacoma Power is amenable to consenting to the Proposed Transfer.

Vice-Chair O’Loughlin remarked that deep dives on this subject were conducted at study sessions. The original agreement contemplated this likelihood and provisions put in for that eventuality and those have been met. The Board is bound by terms of the agreement to approve this change.

Carol Sue Brighton (sp?) spoke in favor of tabling this resolution to allow time for independent review by an attorney and to conduct an audit.

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

D. Reports of the Director

WestRock Mill Closure Update

Scott Dewhirst, Water Superintendent, and Jessica Knickerbocker, Planning and Engineering Manager, presented this information. Analysis of the WestRock closure include financial, water quality, storage/reservoirs, wells/groundwater, hydraulics, maintenance practices, Green River filtration facility, system reliability, and water rights issues. Incident command kicked off on August 9. A review and adjustments of projects included capital work, operations, and maintenance and four new projects identified due to system changes. A summary of each of these was conducted. Tacoma Water staff will continue to monitor and adaptively manage the impacts of this closure.

Dr. John Gaines detailed the public engagement efforts related to the WestRock closure impacts on Tacoma Water. Planned community engagements include: neighborhood councils and block groups; Asia Pacific Cultural Center; Korean Women’s Association; The Black Collective; Chamber of Commerce; Economic Development Board; franchise cities; local community partners; Tribes, and neighborhood business districts. Planned customer engagements include Pierce County, School Districts, housing authorities, and Water’s top 50 accounts. Engagement is scheduled for September 14 through October 11. Dr. Gaines concluded by summarizing the other ways staff is communicating, including website, newsletters, fact sheets, bill messaging, and social media.

Director Flowers recognized the work of Ken Ostrus, who will no longer be serving in the control room supporting Board meetings. Mr. Ostrus’ technical capabilities and extreme proficiency were key and critical to the transition to remote and hybrid Board meetings. His professionalism and expertise will be missed, and his hard work is appreciated.

E. Comments by the Board

Chair Watson congratulated LaTasha Wortham for her appointment to Deputy Director of Customer Experience and External Affairs.

Board Member Claus-McGahan comment that the Board hears and values public comments during Board meetings and remarked that the Board has public briefings in study sessions before many topics are brought for a vote.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:46 p.m. until Wednesday, October 11, 2023, 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