



APPROVED 7-13-22

MINUTES
City of Tacoma
Public Utility Board Meeting
June 29, 2022
6:30 p.m.

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

Present: Mark Patterson, Chrissy Cooley, John O'Loughlin, Carlos Watson, Holland Cohen

The meeting was quorate.

Minutes of the Previous Meetings

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

Comments by the Public

The following individuals made comments in favor of removing the four dams on the lower Snake River, in favor of investing in alternative sources of power, saving salmon and orcas, and in favor of no longer purchasing power from the Bonneville Power Administration generated from the lower Snake River dams: Janeen Provazek, Bruce Hoeft, Kristofer Nystrom, Michael Webb, Stena Troyer, Sean Arent, Jennifer Braveboy, and Jazzmin.

Recognition

Rochelle Gandour-Rood, Water Program Specialist, spoke to the American Water Works Association, Public Information Committee Excellence in Communication Award for Tacoma Water's Kids' Activity Booklet, won by Tacoma Water. Board Members made positive remarks about this achievement.

Regular Agenda

- D-1 Resolution U-11326– Award contracts and approve purchases:
1. Increase contract to Onit Management Consulting, LLC for organizational change management for the Power geographical information system (\$150,000, plus applicable taxes. Cumulative total \$630,000, plus applicable taxes) [Tony Landrith, Power Asst. Section Mgr];
 2. Award contract to Dakota Pump Inc., for the purchase of a booster pump station (\$1,146,800, plus applicable taxes) [Carol Powers, Principal Engineer].

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

In response to a Board request for additional information on item number two, Carol Powers, Principal Engineer, shared that this is a part of the planned water system infrastructure south of Bonney Lake and the Tehaleh development. The water storage tank will work in conjunction with boost the station and is an integral piece for delivery of water from storage tank to community.

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

D-2 Motion 22-11 – A motion appointing Christine Cooley and John O’Loughlin to the City Council’s Audit Advisory Board for terms commensurate with their terms on the Public Utility Board.

Ms. Cooley moved to approve the motion; seconded by Mr. Watson.

Chair Patterson summarized the motion. Council Resolution 36620 established the Audit Advisory Board, which consists of Council Members sitting on the Government Performance and Finance Committee, two Public Utility Board Members, and one citizen member. The Council finds that this board can assist it in meeting its objective of achieving greater public accountability through the City Council’s audit functions and responsibilities by acting in an advisory, oversight, and liaison capacity between and among the Council, City Manager, and CPA firms retained by the city to conduct audits.

Voice vote was taken and carried. The motion was approved.

D-3 Resolution U-11327 – Amend and revise Tacoma Power’s Electric Rate and Financial Policy.

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

Ying Hall, Power Section Manager, summarized the resolution. Tacoma Power is proposing updates to the Electric Rate and Financial Policy to highlight long-term financial planning, gradualism, equity, affordability, and climate change as areas of focus. The policy (last updated in September 2018) gives direction to future short-term and long-term planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost in a manner consistent with prudent utility management. Power rates staff conduct regular quantitative and qualitative reviews of the policy to ensure that the policy is sound and is reflective of management and Board directives and priorities, and during this review, staff found that although the current policy is valid, it could be improved by modernizing existing language and highlighting important areas of focus including: long-term financial planning, gradualism, equity, affordability, and climate change.

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

Tacoma Water

D-4 Resolution U-11328 – Amend and revise Tacoma Water’s Rate and Financial Policy.

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

Jodi Collins, Asst. Water Division Mgr, summarized the resolution. Tacoma Water is proposing updates to the Water Rate and Financial Policy to highlight long-term financial planning, gradualism, equity, affordability, and climate change as areas of focus. The Policy (last updated in November 2018) gives direction to planning decisions and helps ensure that Tacoma Water provides an adequate supply of safe, clean water to all customers efficiently, reliably, and at the lowest possible cost consistent with prudent utility management. Financial stewardship staff conduct regular quantitative and qualitative reviews of the policy to ensure that it is sound and is reflective of management and Board directives and priorities. During this review, staff found that although the current policy is valid, it could be improved by modernizing existing language and highlighting important areas of focus including: long-term financial planning, gradualism, equity, affordability, and climate change.

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

Tacoma Rail

D-5 Resolution U-11329 – Amend and revise Tacoma Rail’s Rate Policy to include a Volume Investment Fund

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

Dan McCabe, Rail Chief Information/Finance Officer, summarized the resolution. The policy was last updated January 1, 2016, and due to the variability of the economy and shipping lanes, railcar volumes have the potential to deviate significantly from budgeted volumes, therefore, Tacoma Rail is proposing a Volume Investment Fund (a sub fund in SAP) to be included in the policy to provide a repository for operating revenue surpluses if there is unanticipated rail volume growth above budget. The Volume Investment Fund will provide revenue requirement flexibility during time of unanticipated economic downturns or capital spending that may be used to offset the necessity of rate increases. The use of the fund will be limited to workforce stability during unanticipated economic downturns, locomotive upgrades, rail infrastructure and grant or debt matching opportunities.

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

D-6 Motion 22-12 – The Department of Public Utilities, Beltline Division’s 2022-2026 Strategic Plan, as submitted and filed with the Clerk of the Board, be accepted and approved.

Ms. Cooley moved to approve the motion; seconded by Mr. Watson.

Alan Matheson, Assistant Rail Superintendent, summarized the motion. There have been study sessions where the work of this strategic plan was presented. Board Members made positive remarks about the hard work and thought that went into the creation of this plan.

Voice vote was taken and carried. The motion was approved.

Non-Departmental

D-7 Resolution U-11330 – Commendatory Resolution recognizing ten years of service and dedication of Mark Patterson to the Tacoma Public Utility Board.

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

The Clerk read the commendatory resolution, comments of appreciation were made by Board Members, and a video highlighting Mark Patterson’s time as a Board Member was shown.

Board Members congratulated Chair Patterson for completing ten years as a Board Member and expressed their appreciation for his expertise, service, and dedication to public service. Chair Patterson thanked his fellow Board Members and expressed that that it was a pleasure and privilege to serve.

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

D. Reports of the Director

Covid

Director Flowers reported that group three is continuing reconstitution and that it is going smoothly. Work on connecting with customers for assistance also continues. Since April 14, there have been 353,257 logins to the customer portal, 131,063 payments made, and 34,735 enrollments in paperless billing.

E. Comments by the Board

Board Member Cooley reported that she attended the American Public Power Association national conference with the Director and made complimentary remarks about the Director’s session on equitable hiring and retention.

Board Member Watson reported that he attended the American Water Works Association national conference with Superintendent Dewhirst and he learned much about the water industry. Mr. Watson was complimentary of Mr. Dewhirst for his expertise during the conference.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:37 p.m. until Wednesday, July 13, 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