



APPROVED 7-10-19

**MINUTES**  
 City of Tacoma  
 Public Utility Board Meeting  
 June 26, 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, Bryan Flint, Christine Cooley, 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**

There were no recognitions.

**Public comment**

There were no comments by the public.

**Consent Agenda**

There were no items on the consent agenda.

**Regular Agenda**

D-1 Resolution U-11080 – Award contracts and approve purchases:

1. Award contract to Van Ness Feldman LLP for legal services to provide advice and consultation on Tacoma Water's water rights (\$200,001, plus applicable taxes);
2. Increase and extend contract to Murraysmith, Inc., for continued on-call hydraulic modeling support on a time and materials basis (\$151,154, plus applicable taxes; cumulative total \$323,630, plus applicable taxes);
3. Award contract to Market Strategies International for customer experience and satisfaction tracking research services (\$490,000, plus applicable taxes).

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

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In response to a Board inquiry on item number one regarding contract history, Glenn George, Sr. Principal Engineer, stated that Tacoma Water previously had services with this company as they were contracted in 2016 to help with Water's Integrated Resource Plan (IRP). The lawyers helped with understanding issues relative to supply security and water rights. The last contract ended when the IRP was complete.

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

D-2 Resolution U-11081 – Authorize execution of the 2019-2021 collective bargaining agreement negotiated between the City of Tacoma and the International Brotherhood of Electrical Works, Local 483, Tacoma Water Division Unit.

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

Cecily Hutton, Labor Negotiator, summarized the resolution. The agreement covers three years and provides for a wage increase in each year of the agreement. Effective, January 1, 2019, the journey level wage rate, and all wage rates not expressed as a percentage of journey level will increase retroactively by three percent. Effective January 1, 2020, the journey level wage rate and all wage rates not expressed as a percentage of journey level shall increase by three percent. Effective January 1, 2021, the journey level wage and all wage rates not expressed as a percentage of journey level shall increase by 2.5 percent. Other changes to the agreement include removing the CDL requirement for the classification of Water Service Mechanic positions in Water Quality; adding language to Article 2 Union Recognition to reflect changes required by law; and adding language clarifying the article on non-discrimination. The agreement also adds standard language regarding time off and benefits to Appendix B. The agreement covers 129 budgeted, full-time positions and is anticipated to be considered by the City Council on July 9, 2019.

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

D-3 Resolution U-11082 – Authorize execution of a letter of agreement negotiated between the City of Tacoma and the Washington State Council of County and City Employees, Local 120.

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

Cecily Hutton, Labor Negotiator, summarized the resolution. This Letter of Agreement provides that the language of Article 4, Union Membership and Dues, will be replaced in its entirety to reflect the legal requirements of the Janus v. AFSCME Council 31 court case to read as written in the Letter of Agreement. This is anticipated to be considered by the City Council as a resolution on July 9, 2019. In response to a Board request to do so, Ms. Hutton summarized the Janus court decision as a ruling that made it no longer required for public bargaining units to have closed shops requiring everyone to pay dues.

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

D-4 Resolution U-11083 – Authorize the Director of Utilities to enter into an Energy Imbalance Market implementation agreement with the California Independent System Operator.

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

Todd Lloyd, Assistant Power Section Manager, summarized the resolution. Tacoma Power recently completed the business case for joining the California Independent System Operator (CAISO) Energy Imbalance Market (EIM). It includes a detailed cost/benefit/risk analysis. Because this analysis identifies likely net benefits from Tacoma Power participating in the EIM, as well as mitigation of likely risks to the utility, it supports the recommendation that Tacoma Power join the CAISO EIM. This would be accomplished by the utility first executing an EIM implementation agreement with the CAISO. This agreement would obligate Tacoma Power to pay the CAISO a total of \$150,000 over an 18-24-month period, payable in \$25,000 increments after the completion of each six EIM implementation milestones that will be specified in the agreement. The CAISO EIM is an extension, to balancing authorities outside of their operational footprint, of the CAISO real-time bulk power centralized trading market. As a balancing authority in the western interconnection, Tacoma Power has the ability to join the EIM and become an EIM entity. Many others throughout the west have already elected to join the EIM, finding both financial and operational benefits from being part of a centralized market that dispatches least cost resources to serve load. Perhaps the most promising aspect of joining the EIM is its ability to help reliability and economically integrate new variable renewable energy resources into the electrical grid. For Tacoma Power to successfully implement and properly maintain its ongoing participation in the EIM, it will need to invest in new data systems, hire new personnel, and reorient its real-time activities to be compatible with the highly automated and rapidly moving process of the EIM.

In response to a Board inquiry on the implementation timeline, Mr. Lloyd stated that the next steps are to negotiate with CAISO, file with the Federal Energy Regulatory Commission, and then an implementation plan would be worked out. The expected 'go-live' date is April of 2022. Board Members Larkin and Patterson made positive remarks on this resolution in that Tacoma Power is a balancing authority and is rapidly losing those with whom to trade power because others are migrating to the EIM and can't trade with us outside that system. This is a necessary step to fulfill existing obligations. In response to a Board request to describe power transactions before and after EIM implementation, Mr. Lloyd stated that currently Tacoma Power trades in a bilateral market via phone in a very manual fashion in one-hour time frames. After EIM implementation, Tacoma Power will be dealing in five and fifteen minute levels of granularity.

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

D-5 Resolution U-11084 – Authorize the designation of the Energy Imbalance Market project as a special project of limited duration, allowing for the addition of staff to support key project phases and deliverables.

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

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

Resolution U-11085 – Authorize Tacoma Rail to extend an agreement with the BNSF Railway Company to provide daily locomotive inspections and services on an as-needed basis.

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

Kari Halliday, Mechanical Manager, summarized the resolution which is to extend a locomotive servicing and inspection contract between Tacoma Rail and the BNSF Railway Company. If approved, Tacoma Rail will continue to provide servicing, daily inspections, and minor repairs to BNSF locomotives on an as-needed basis with all work occurring at the Tacoma Rail maintenance of equipment facility. All direct Tacoma Rail costs associated with the daily inspections, servicing and repairs are fully reimbursable by the BNSF Railroad. The extension is for a period of two years with the option for two additional one-year extensions and is not limited to a maximum amount in revenues received by Tacoma Rail. In July 2013, Tacoma Rail entered into a pilot program to provide inspections, servicing, and running repairs on BNSF locomotives destined for Tacoma Rail. In August 2014, through Resolution U-10717, the Board approved a contract to provide servicing and inspections for all BNSF locomotives destined to Tacoma Rail with a term of three years. In June of 2017 through Resolution U-10934, the Board approved the first amendment which extended the locomotive servicing contract to July 2019.

Board Members made positive remarks about this successful program that has produced increased cooperation with BNSF. In response to a Board request for clarification, Ms. Halliday stated that the initial contract with BNSF was \$62 per hour and the current rate is \$65 per hour for this maintenance.

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

#### **H. Reports of the Director**

Director Flowers provided an overview of the topics covered at the earlier study session: Moss Adams exit conference; TPU Fleet overview; Process for Director's performance evaluation; and Discussion of Board policies.

Director Flowers stated that the 2018 annual financial reports, March and April cash projections and financials have been provided to the Board for their review in advance of the meeting.

Erika Tucci, Government Relations Analyst, updated the Board on the Environmental Action Plan (EAP). The plan consolidates the priorities of multiple city departments. In 2016, the City Council adopted targets and goals for the EAP for 2016 – 2020, which requires an annual performance indicator. Ms. Tucci touched on the progress of the current targets: Achieve all cost-effective electricity conservation savings; Reduce electricity and water use in city facilities by 10 percent; Fund all cost-effective low-income residential conservation spending; Increase solar power by 26 percent; Increase water conservation; and certify eight buildings as LEED and 14 as Energy Star. Targets for 2020: Decrease single occupancy vehicle trips by 7 percent of 2015 levels; Reduce bicycle and pedestrian collisions in low-income neighborhoods and communities of color by 50 percent of 2015 collisions; Decrease fossil fuel use by 15 percent of 2014 levels; Decrease city employee single-occupancy vehicle trips by 5 percent of 2015 levels; Register 2,000 electric vehicles by 2020; Increase pedestrian counts by 15 percent of

2015 counts; and Increase miles of bicycle infrastructure by 35 percent of 2015 miles. Board Members made positive remarks about the progress thus far and the increased collaboration with TPU and General Government on the EAP.

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JD Smith, Power Supervisor, briefed the Board on the remote connect/disconnect feature of the Advanced Meter Project. Remote connect/disconnect is the ability to turn electric meters on or off remotely. This could be used for move-ins/outs, reinstatement on payment, non-payment, or emergency load control. Customer benefits include faster reconnection services, enhanced prepay capability, improved move in/out customer experience, and offers better self-service to customers moving to Tacoma. Utility benefits include increased efficiency, truck roll reduction, reduction in manual work, and a decrease in field operation liabilities. Remote connect and disconnects enables TPU objectives of equitable customer service, economic development, environmental stewardship, and reliability and resiliency. Mr. Smith then shared a video illustrating how a meter remotely connects to a light. Board Member Larkin expressed concern about customers who may struggle with bills and are subject to disconnects for nonpayment. The Board has worked hard to increase the visibility of assistance programs. When a crew is sent out to disconnect, it comes with an opportunity to speak with the resident. In response to Board Member Larkin's inquiry about how much warning customers would have, Steve Hatcher, Customer Services Manager answered that currently customers get an invoice, warning notice, disconnect notice, and then a visit from the field investigator. The field investigator has the discretion to work with the customer. There will be changes with advanced meters so TPU is creating a communication plan and also looking at out-calling to customers to let them know when they're at risk of losing services. Director Flowers added that a modification process is being mapped out and additional details will follow. Board Member Larkin stated that on the other side, it is good because when a customer pays, they can be turned back on immediately. In response to a Board inquiry regarding effects on crew safety, Mr. Hatcher answered that situations can arise and staff is trained on how to react or not react. There is an added safety element for staff with remote connects/disconnects. Board Member Flint added that staff should still find ways to have personal touches with customers. Board Member Patterson added that this could help both homeowners and contractors with coordination.

Board Member Larkin moved to suspend the rules to hear walk-on Resolution U-11086 honoring Woodrow E. Jones, Jr. for his ten years of service to TPU as a Board Member; seconded by Mr. Flint.

Voice vote to suspend the rules was taken and carried and the Resolution U-11086 honoring Mr. Jones was read.

Bill Dickens, TPU retiree, member of TPU Toastmasters, and The Black Collective, spoke of the many outstanding contributions made by Chair Jones and thanked him for his support to TPU and the community.

Board Members all made positive remarks about Mr. Jones thanking him for his commitment to staff and ratepayers. Mr. Jones was recognized for his grace, kindness, dignity, leadership, and respect. Board Members expressed admiration for always being the 'Gentleman of the Board'. Mr. Jones expressed appreciation for his time at TPU.

Voice vote to adopt Resolution U-11086 was taken and carried.

**Comments by the Board**

There were no additional comments by the Board.

**J. Adjournment**

There being no further business or comments, the Public Utility Board was adjourned at 7:48 p.m. until Wednesday, July 10, 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:

  
Karen Larkin, Chair

  
Mark Patterson, Secretary