



Approved 1-25-23

MINUTES  
City of Tacoma  
Public Utility Board Meeting  
December 14, 2022  
6:30 p.m.

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

**Present:** William Bridges, Elly Claus-McGahan, Carlos Watson, John O’Loughlin

**Excused:** Holland Cohen

The meeting was quorate.

**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**

Kit Burns made comments in favor of seeing additional information, such as location of economic development plans, superfund sites, and a groundwater map on the map shown of Tacoma Water’s wellfield maps shown at the study session. Mr. Burns also made comments in favor of Tacoma Water proactively developing PFAS testing ahead of EPA regulators doing so.

**Regular Agenda**

C-1 Resolution U-11365– Award contracts and approve purchases:

1. Increase contracts to Potelco, Inc., and Northwest Utility Services, LLC for T&D augmented crew services (\$3,250,000 combined plus applicable taxes. Cumulative total for both contracts (\$13,612,471.23, plus applicable taxes) [Joe Parris, T&D Contract Program Manager];
2. Award three-year contract to Owen Equipment Company for the purchase of four new Vactor model evacuation machine trucks (\$2,800,000, plus applicable taxes) [Don Ashmore, Fleet Manager].

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

In response to a Board inquiry on item number one about what triggers equity in contract and local employment bids in contracts, Roberta Cox, Asst. Power Section Mgr, explained that before a before the specification is advertised, both sections are reviewed for compliance. The Office of Equity and Human Rights determined that due to uncertainty of items used during the contract, this goal would not be applicable and the estimated hours for local employment/apprenticeships of 15 percent would remain the same.

In response to a Board inquiry on item number two about the use of augers versus the vactors, Don Ashmore, Fleet Manager, shared that the use of vactor equipment started a few years ago. There are times when large holes are dug for poles or the water system and the ground is too rocky and collapses when using an auger or backhoe. The vactors vacuum up materials as digging occurs. This increases safety, performance, efficiency, and causes less damage to both equipment and infrastructure.

In response to a Board inquiry regarding item number one and the use of contract versus in-house employees, Joe Wilson, T&D Manager shared that this is due to the cyclic nature of the work. Staff forecasts work demands for customer requests, planned work, and telecom requests for work and bases in house staffing needs accordingly. But, there are external work, storm responses, and specialty work tasks that make sense to contract because this work isn't consistent.

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

#### C-2 Resolution U-11366 – Authorize Tacoma Power to execute an amended version of the Western Resource Adequacy Program Agreement

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

Ray Johnson, Assistant Power Manager, summarized the resolution. Tacoma Power requests authority to execute an amended version of the Western Resource Adequacy Program Agreement (WRAPA). In August 2022, the Western Power Pool (WPP) filed a tariff with the Federal Energy Regulatory Commission (FERC) to gain approval for the Western Resource Adequacy Program (WRAP). On November 21, 2022 the WPP received a deficiency letter from FERC staff that included several questions and requests for additional information. On November 30, 2022 the WRAP participants committee met and agreed to add language to the tariff along with several accompanying narrative explanations in response. These changes help clarify several elements of the filing; they do not have any material impacts to program design. The WPP will file an amended tariff with FERC the week of December 4 and then distributed a new WRAPA for execution. In summary, Modification 1: The modifications clarify rules related to the transmission forward showing. Specifically, an entity may seek one of four exceptions to allow it to procure less than 75 percent of firm transmission capacity typically required to satisfy its forward showing requirements. The clarification provides that if the only transmission available for purchase is for a term longer than one year, an entity may not utilize two of the exceptions for the same transmission path in the same season in the subsequent year. This does not impact Tacoma Power because we expect to have sufficient firm transmission to cover over 100 percent of our forward showing requirement. We do not expect this modification to have an impact on the effectiveness of the program. Modification 2: The second modification adds new language clarifying which data sources WPP can look at when evaluating the exception request of a participant. We do not expect this modification to have an impact on the effectiveness of the program. The Public Utility Board granted the Director authority to execute the original WRAPA on November 16, 2022. The proposed resolution will authorize the Director to execute the new WRAPA and commit the utility to the provisions of the amended WRAP tariff, conditioned upon approval by FERC without changes. The Director will be granted authority to immediately execute the new WRAPA, with an effective date of January 1, 2023 conditioned upon FERC approval of the

Amended WRAP Tariff without changes. Executing the new WRAPA now will ensure continued funding and planning to implement the WRAP as soon as it is approved by FERC.

In response to a Board inquiry regarding TPU's part of the separate sub-region, Mr. Johnson answered that Tacoma Power will be part of the Northwest region and participation will be dependent upon the BPA transmission system.

Kit Burns made public comment in opposition to the resolution stating that it should be part of the Tacoma Power Integrated Resource Plan.

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

#### **D. Reports of the Director**

##### Strategic Directive Thirteen (SD13, Customer Service) Update

Francine Artis, Interim Customer Services (CS) Manager, summarized the challenges faced by CS in 2022, which include past due utility accounts, resumption of disconnects, increased customer contracts, employee recruitment/retention, and leadership vacancies. Accomplishments include the launch of the new MyAccount website and the foundational work to reimagine the customer experience. In 2022, CS has been instrumental in directing and distributing over \$10.9M in customer assistance funds and rate programs to customers with limited incomes or have been impacted by Covid. An additional \$2.7M in repurposed BCAP funding and \$14.1M from the Department of Commerce are in the process of being dispersed. Ms. Artis concluded by sharing phone level service, average speed of answer, and percentage of customer invoicing metrics.

##### Strategic Directive Fourteen (SD14, Resource Planning) Update

Rachel Clark, Sr. Power Analyst, summarized Power's Integrated Resource Plan (IRP). 2022 accomplishments include the ability to continue to develop capability to acquire demand response, joining the Western Resource Adequacy Program, and continuing to acquire all cost-effective conservation identified in the Conservation Potential Assessment. Areas of focus for 2024 include BPA contract renewal in 2028, refining approach to incorporating climate change into modeling, continuing to improve models and analytical frameworks.

Glenn George, Sr. Principal Engineer, summarized Water's IRP and potential methods to further enhance resource adequacy and resiliency. Current efforts include progress on recommendations from the wells master plan and additional water supply completion project. Factors in the next Water IRP for 2023-2024 include updating climate change information, updating demand forecast, examining additional wholesale opportunities, and modeling improvements.

Alan Matheson, Asst. Rail Supt, summarized areas of focus for Rail. These include battery-electric locomotive project, Puget Sound Clean Air agency/Puget Sound Regional Council funding, and a recently submitted application for funding for consolidated rail infrastructure and safety improvements. Areas of focus for Rail include the South Intermodal Yard and Geospatial Intelligence System to continue mapping track infrastructure.

**E. Comments by Board**

Board Member O’Loughlin referenced a letter recently sent to the Board concerning the aquifer and shared that he responded that the Board takes its responsibility as stewards seriously and subject matter experts are on point for this topic.

Director Flowers congratulated Board Chair Watson on his appointment to the American Public Power Association’s Policy Maker’s Council. A press release will be sent.

**F. Adjournment**

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:42 p.m. until Wednesday, January 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



Holland Cohen, Secretary