APPROVED 8-10-22

MINUTES
City of Tacoma
Public Utility Board Meeting
July 13, 2022
6:30 p.m.

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

Present: Chrissy Cooley, John O'Loughlin, Holland Cohen, William Bridges
Excused: Carlos Watson

The meeting was quorate.

Oath of Office
The oath of office was administered to William Bridges for his term as a member of the Tacoma Public Utility Board from July 1, 2022 – June 30 – 2027.

Minutes of the Previous Meetings
M. O'Loughlin moved that the minutes of the previous meetings be adopted; seconded by Ms. Cohen. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public
Doug Howell of the Save our Wild Salmon Coalition spoke in favor of removing the lower Snake River dams (LSRD). Tim O'Donnell, IBEW 76 and Local 73 Business Manager, spoke on behalf of the Building Trades and Regional Labor Council in favor of keeping the LSRD in place. Kevin Lux, member of IBEW, spoke in favor of keeping the LSRD, public power, and hydro power.

Regular Agenda

C-1 Motion 22-13 – In accordance with Governance Process Three, Section One, Election of Officers, of the Public Utility Board Governance Processes, that Chrissy Cooley, Carlos Watson, and John O'Loughlin be nominated and elected as Chair, Vice-Chair, and Secretary respectively.

Mr. O'Loughlin moved to approve the motion; seconded by Ms. Cohen.

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

C-2 Resolution U-11331– Award contracts and approve purchases:
1. Award three-year contract to Anixter, Inc., for the purchase of 15 kV vault and network style transformers ($6,661,416, plus applicable taxes. Includes option to renew for two, one-year periods for a projected contract amount of $11,236,476.51, plus applicable taxes [Rich Barrutia, Professional Engineer].

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

Chad Edinger, Assistant Power Section Manager, provided a summary of this purchasing resolution in response to a Board request. Mr. Edinger shared that the purchase is for both vaults and transformers of various size and staff plans to replace seven per year for the next twelve years.

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

C-3 Resolution U-11332 – Authorize the application of customer donations to all five services billed directly by Tacoma Public Utilities

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

Francine Artis, Interim Customer Services Manager, summarized the resolution. Effective December 22, 1982, TPU created the Project Need Program, pursuant to Board Resolution U-6645, which encouraged Tacoma Power customers to donate to a special fund for the benefit of assisting eligible low-income households with power bill payments. The City Council appropriated funding for the administration of the Project Need Program and the Project Need Program was renamed the "Family Need Program" and ultimately, renamed the "Bill Credit Assistance Plan (BCAP)." Subsequent to and in addition to the funding appropriated by the City Council and the ongoing donations from customers, BCAP is now supported by budgeted funding from each utility. BCAP funding is available to eligible electricity, drinking water, solid waste, recycling and surface water customers, and provides assistance in the form of a utility credit up to $564 annually, which may be used toward all five of the above listed services and which is applied to the utility account each time the bill is paid in full and on time. It is being requested that BCAP funding resulting from customer donations no longer be restricted to use toward power bill payments, but be available to assist income-eligible households with all utility charges through BCAP.

Board Members made positive remarks about this resolution. In response to a Board request about giving logistics, Ms. Francine shared that the donations go to a fund, not specific accounts and the same guidelines that exist for assistance programs apply as to what constitutes as a one-time, emergency use.

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

C-4 Motion 22-14 – Authorize settlement of Claim No. L-023-22 by Michelle D. Coley and Matthew Limes against Tacoma Power in the amount of $31,833.68

Mr. O'Loughlin moved to remove motion 22-14 from the agenda to allow staff additional preparation time; seconded by Ms. Cohen. There was no public comment on the motion to remove. Voice vote to remove the motion taken and carried.

C-5 Resolution U-11333 – Authorize Tacoma Rail to enter into a loan agreement with the Washington State Department of Transportation for the purpose of upgrading 770 feet of railroad tracks along Alexander Ave and storage tracks.

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

Kyle Kellem, Roadmaster, summarized the resolution. Tacoma Rail requests approval to enter into a loan agreement with Washington State Department of Transportation (WSDOT),

for the purpose of upgrading 770 feet of railroad tracks along the Alexander Wye and Storage Tracks, located in the vicinity of Alexander Avenue and Lincoln Avenue, in the Port of Tacoma/Tidelands area. Tacoma Rail's track infrastructure in the Tideland's area is heavily used and in need of periodic upgrades in order to safely enable the switching of railcars destined for, or originating from, the Port of Tacoma and other industrial customers. Tacoma Rail was awarded Loan Agreement RRB-1286, in the amount of $606,000, for a ten-year term, with annual payments of $60,600, beginning July 1, 2023, and the agreement requires Tacoma Rail to contribute $261,081 in matching funds towards the completion of the project.

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

D. Reports of the Director

Tacoma Rail: Rates and Revenue

Dan McCabe, Rail CIO/CFO, began by providing an overview of Rail's revenue sources: 1) Tariff-based (line-haul, local and miscellaneous switching, demurrage); 2) Agreement-based (locomotive servicing, miscellaneous switching, rent income; 3) Interest income (Treasury); and 4) other (45G tax credit). Primary rate payers are the BNSF railway, Union Pacific Railroad, and U. S. Oil. Mr. McCabe then detailed the line haul rate analysis and line haul volumes. Rail car volumes in 2022 were an anomaly; intermodal volumes increased due to larger ships and additional South Intermodal Yard traffic. Commercial volumes increased over 2022. The expected rate impact, proposed line haul rates, rates over time, and other tariff rates were detailed. Mr. McCabe concluded by summarizing the rates outreach and communication efforts that will start in August through the end of the year.

Strategic Directive Twelve (SD12, Employee Relations) Update

The SD12 update was presented by Cheryl Bidleman (Human Resources), Trent Hill (Health and Safety Office), Sonja Bert (Public Affairs and Communications), Rachel Allen (Power), Lori Daniels (Rail), and Jennifer Airey (Water). Each presenter summarized 2021 accomplishments and 2022 initiatives for their respective divisions and work groups. Overarching topics included Covid recovery, workplace safety, employee retention, employee communications and surveys, and equitable recruitment and hiring.

E. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 8:43 p.m. until Wednesday, July 27, 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