

APPROVED 6-13-18

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 May 23, 2018
 6:30 p.m.

Ms. Trudnowski called the Public Utility Board meeting to order at 6:30 p.m. in the auditorium at Tacoma Public Utilities.

Mr. Flint moved to allow telephonic participation by Board Members Jones and Patterson; seconded by Ms. Larkin. Voice vote was taken and carried.

Present: Monique Trudnowski, Mark Patterson (via phone), Woodrow E. Jones, Jr. (via phone), Karen Larkin, Bryan Flint

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.

Comments from the Public

There were no comments from the public.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-11007 – Award contracts and approve purchases:
1. Award contract to McFarland Cascade Holding, Inc., for the purchase of treated wood poles on an as-needed basis (\$867,830.06, plus sales tax).

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

In response to a Board request, Kimberlie Kerner, Management Analyst, summarized item number one on the general purchasing resolution. This contract will provide supply wood poles 35 feet through 60 feet in length. The forecasted usage includes requirements for new construction, maintenance, and relocation of distribution lines operated by Tacoma Power. Four companies were invited to bid in addition to normal advertising of the project and one submittal was received.

10210 Voice vote was taken and carried. The resolution was declared adopted.

D-2 Motion 18-06 – A motion to appoint a new Director of Tacoma Public Utilities contingent upon the negotiation of an employment contract.

Chair Trudnowski moved to amend the motion as follows: That in accordance with the Tacoma City Charter Article IV Section 4.18, the Board appoints Jackie Flowers to serve as Director of Public Utilities contingent upon the negotiation of an employment contract; seconded by Mr. Flint. Voice vote to amend the motion was taken and carried.

Board Member Larkin stated that the recruitment and selection process was a thorough and thought-out process and that all three finalists did a great job. Ms. Larkin extended her appreciation to the Council and the public and stated that she looks forward to Ms. Flowers joining the City.

Board Member Flint stressed the importance of this decision and extended his appreciation to his fellow Board Members, Human Resources, and Public Affairs for their work during this long process. Mr. Flint made positive remarks about the public engagement process and the three excellent candidates. Mr. Flint summarized Ms. Flower's qualifications and stated he looks forward to her being part of the organization.

Mr. Patterson stated that a lot of hard work resulted in recruiting a great group of candidates and that he looks forward to working with Ms. Flowers.

Mr. Jones stated that the Board worked hard on this process and looks forward to working with the new Director.

Chair Trudnowski thanked the other finalists, staff, and Interim Director McCrea for her service.

Public comment was then taken.

Mitchell Shook made positive remarks about new leadership at TPU.

Kris Karnes thanked the Board for the public process in this recruitment and made positive remarks about Ms. Flowers.

Voice vote on the amended motion was taken and carried. The amended motion was approved.

D-3 Resolution U-11008 – Authorize execution of a phase-one utility installation agreement with Tacoma Power and Horizon Commerce Partners, LLC.

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

Rich Barrutia, Power Supervisor, summarized the resolution. Horizon Commerce Partners LLC is redeveloping multiple lots located on both sides of Commerce Street from S 21st to S 23rd within the Brewery District. Their project consists of four new official/commercial/residential/ parking buildings and three renovated commercial/residential buildings. The utility installation agreement defines the terms for the installation of new underground distribution, modification of overhead distribution, and secondary facilities on Commerce Street. Also to move overhead conductors along South C Street on the existing pole alignment to provide working clearances. The project is to be completed in three phases with work expected to begin in May 2018. The phase one-contract is 100 percent funded by the customer to be paid in advance of construction. The customer may be eligible for Tacoma Power's associated 30 percent credits for primary underground installation costs after the overhead primary power system is removed. This agreement provides reimbursement of \$456,000 for Tacoma Power's equipment, materials, and loaded labor to construct the underground electrical system to supply new/modified services and

the cutover of existing customers, and to relocate the existing overhead power conductors to accommodate the construction of new buildings.

Board Members Flint and Larkin made positive remarks about this agreement and utilization of Power's new undergrounding policy. In response to a Board request for clarification on the timing of the thirty percent credits available, Mr. Barrutia clarified that this particular phase of the project will not involve actual undergrounding, but only prepares to do so. Eligible credits will be part of phases two and three.

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

Motion 18-07 - Board Member Trudnowski moved to suspend the rules to hear walk-on motion 18-07 that the Board directs CTC Technology & Energy to move forward on a more extensive examination of proposals for a Click! partnership arrangement and commence discussions and negotiations with one or more potential partners toward a partnership arrangement that furthers the City's twelve policy goals; and that any necessary contract arrangements be made with CTC Technology & Energy to foster this direction; seconded by Ms. Larkin.

Voice vote to suspend the rules to consider this motion was taken and carried.

Chair Trudnowski stated that this motion is in alignment with outcomes from the joint study session held with the City Council on May 22 where the consultant presented results from the Request for Information. Tom Morrill, Chief Deputy City Attorney, stated that the Council will be taking up a similar action at a future meeting.

Public comment was taken. Mitchell Shook expressed opposition to this motion.

H. Reports of the Director

- H-1 2017 annual audited financial statements for Power, Water, Rail, Fleet, Self-Insurance Fund
- H-2 Fourth quarter 2017 budget performance report
- H-3 First quarter 2018 budget performance report

Interim Director McCrea called on Jim Sant, Deputy Director for Administration, to provide a report on the fourth quarter 2017 and first quarter 2018 budget performance reports for Power, Water, and Rail. Mr. Sant presented the key budget information, covering revenues and expenditures, for each of the operating divisions.

I. Comments by the Board


There were no general or closing Board comments.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:09 p.m. until Wednesday, June 13, 2018 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:


Monique Trudnowski, Chair


Karen Larkin, Secretary