

APPROVED 9-25-13

City of Tacoma
Public Utility Board Meeting
August 28, 2013
6:30 p.m.

Mr. Nelson called the Public Utility Board meeting to order at 6:30 p.m. at the Public Utilities Administration Building.

Present: David Nelson; Mark Patterson, Woodrow Jones, Bryan Flint, Monique Trudnowski

Minutes of the Previous Meetings

Mr. Jones 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 and made part of the record.

Recognitions

There were no recognitions.

Comments from the Public

There were no comments by the public.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

D-1 Resolution U-10649 – Award contracts and approve purchases:

1. Increase contract to Jennings Northwest LLC, for the construction of twelve inch and eight inch ductile iron and PVC water main (\$66,960, plus sales tax. Cumulative total \$2,613,304.74, plus sales tax);
2. Award contract to Green Earthworks Construction, Inc., for the replacement of water mains (\$387,222.10, plus sales tax).

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

In response to a Board inquiry to item number one, Michel Peloquin, Professional Engineer, stated he is responsible for the Pipeline No. 2 realign project, which included the installation of the twelve and eight inch ductile iron mains. The additional \$66,960 is in excess of the \$200,000 initiative authority that was granted when the contract was awarded. The total sum of that increase is going toward changes in the design, which occurred during the construction of the project, primarily involving the method of cleaning the pipe that was realigned with the new plastic polymer lining.

Bill Fosbre, Chief Deputy City Attorney, added that in 2009 the City's purchasing code was changed. Now, the Board must authorize whether or not they're going to give administrative authority to the Director of Utilities to increase contracts above the originally-approved dollar amount. As part of the general purchasing resolution, language is included where the Board gives the Director authority on all contracts that are approved through it for an additional \$200,000. If the contract goes even one cent higher, the contract must go back to the Board. So, in this case, the amount that is over the \$200,000 is coming to the Board for approval.

In response to a Board inquiry, Linda McCrea, Water Superintendent, added, no items will go unfunded because of this increase. Tacoma Water has had some projects that have come in under budget. So, there is room to absorb this additional amount in the existing capital fund.

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

D-2 Resolution U-10650 – Authorize execution of an agreement between the Washington State Public Works Board and Tacoma Water for a \$12,120,000 low-interest loan for the Green River Filtration Facility.

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

Craig Downs, Water Quality Engineer Supervisor, stated Tacoma Water is requesting permission to enter into an agreement with the Washington State Public Works Board for a low-interest drinking water state revolving fund loan in the amount of \$12,120,000 for the Green River Filtration Facility. This project adds filtration treatment and clear well storage to allow Tacoma Water to comply with cryptosporidium requirements of the federal long-term enhanced surface water treatment rule. The interest rate for this loan is 1.5 percent and the term is 20 years. This low-interest loan is significantly lower than borrowing from other sources and will represent a savings of approximately \$2.9M in repayment costs to the customers of Tacoma Water.

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

H. Reports of the Director

H-1 July 2013 cash projections for Power, Water, and Rail

H-2 July 2013 financials for Power, Water, Rail, Fleet, and Self-Insurance

I. Comments by Members of the Board

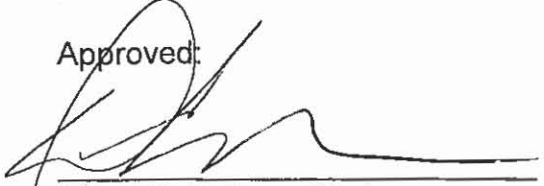
Chair Nelson thanked Rail Superintendent, Dale King, for the successful Rail open house on August 24. Superintendent King stated there were 1,500 attendees this year.

Mrs. Trudnowski expressed her appreciation to Tacoma Water for supporting the Wounded Warriors/Boots to Work employment program at Cheney Stadium.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 6:42 p.m. until Wednesday, September 11, 2013, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:



David S. Nelson, Chair



Bryan Flint, Secretary