



APPROVED 8-14-13

City of Tacoma  
Public Utility Board Meeting  
July 24, 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, Bryan Flint, Woodrow Jones, Monique Trudnowski

**Minutes of the Previous Meetings**

Mr. Jones moved that the minutes of the previous meetings be adopted; seconded by Mr. Patterson. 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-10642 – Award contracts and approve purchases:

1. Award contract to Office Depot for office supplies to be provided on an as-needed basis (\$315,000, plus the option to renew four additional one-year periods for a cumulative total of \$2,000,000, plus sales tax);
2. Award two-year contract to Bentley Systems Incorporated, to provide software maintenance, support, and consulting services (\$90,000, plus sales tax. Contract is a continuation of services provided by SAP contract 4600004105, cumulative total \$526,607.80);
3. Award contract to Titan Earthwork, LLC for the replacement of water mains and wastewater sewers in the vicinity of North 51st Street from North Vassault Street to North Visscher Street (\$2,560,958, plus sales tax).

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

In response to a Board inquiry, Tom Arter, Professional Engineer, confirmed that the system recommended for purchase is proprietary and this is the only company that can service the system. This is the best use of the software since it is

integrated with existing systems. Mr. Arter added that this software is used by the new service engineers in Transmission and Distribution for estimating new service jobs. It is used for design work and work order production.

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

- D-2 Resolution U-10643 – Authorize expansion of the Tacoma Water service area to incorporate the Fennel Heights Maintenance Water System and authorize an agreement to extend water main.

Mr. Jones moved to approve the motion; seconded by Mr. Patterson.

Ryan Flynn, Sr. Principal Engineer, stated this resolution requests approval for service area expansion to serve the Fennel Heights Maintenance Water System and to authorize an agreement to extend water main. Fennel Heights services fifteen residences in a 14.7 acre service area that is surrounded entirely by Tacoma Water service area in unincorporated Pierce County, east of Bonney Lake. Fennel Heights is presently served by a community well that is out of compliance due to arsenic levels that exceed the maximum contaminant level established by the safe drinking water act. On March 27, 2013 under Resolution U-10617, the Board authorized acceptance of a Jobs Act Now grant from the Washington State Department of Health on behalf of Fennel Heights. This grant pays for the extension of Tacoma Water distribution main to service this area. Following construction of the water main, the existing community well will be decommissioned and all fifteen residences will become Tacoma Water customers. Mr. Flynn then outlined the parameters of the service expansion policy and how this resolution conforms to it. In response to a Board inquiry, Mr. Flynn stated the well will be decommissioned following extension of the water main and transition of the residences. The customer will bear the cost of connecting the private property side pipe to the meter; the grant pays for connection up to the meter.

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

#### **F. Unfinished Business**

- F-1 Resolution U-10634 - Authorize transfer of approximately 17 acres of unimproved property from Tacoma Public Utilities, Water Division, to the City of Tacoma, Department of Environmental Services.

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

Gloria Fletcher, Sr. Real Estate Officer, stated this resolution seeks approval to authorize a transfer of approximately 17 acres of unimproved land to the Department of Environmental Services to be perpetually maintained as open space. The land is located in two distinct areas within the city. The primary site is known as Mason Gulch. It is approximately 16.5 acres and adjacent to property already managed by Environmental Services. This property was acquired in 1926 as a potential water source and is no longer needed for Tacoma Water operations. The second site is approximately a half acre and is located off North Shore Parkway. This property was purchased in 1977 from Pierce County but was not placed in operation by Tacoma Water. This is also adjacent to other city-managed property. Earlier this year, management and control of the city's

open space program was assigned to the Environmental Service Department and this new structure allows for a more proactive and consistent approach to managing open space and to date, over 460 acres of city property have been transferred for this purpose. This transaction fits well within the larger city effort of open space preservation. A transfer agreement for the Tacoma Water property has been drafted that outlines the terms and conditions for long-term stewardship and also aligns with operational goals of both departments while preserving these valuable assets for the city.

Board Member Flint made comments in support of preserving this property as a conservation easement and thanked staff for their work to clarify the deed restriction language in the agreement for this resolution. Bill Fosbre, Chief Deputy City Attorney, outlined the legal parameters and limitations of conveying permanent conservation easement on city property. The city's intention is to never remove this property from the city and to keep it in its open space list of properties. The city wants to retain it for storm water protection and for the natural eco system attributes it provides to the city.

In response to a Board inquiry, Bill Gaines, Director of Utilities, stated the law requires that when we transfer or sell surplus property, we get fair value for it. In this case, there's been an analysis of the value exchange based on the appraised value of the property and the avoidance of future maintenance will be the benefit to us. That has been determined to be a fair exchange. The water main facilities on the property are of insignificant value.

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

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

- H-1 June 2013 cash projections for Power, Water, and Rail
- H-2 June 2013 financial reports for Power, Water, Rail, Fleet, Self-Insurance Fund

#### **I. Comments by Members of the Board**

There were no other comments by the Board.

#### **J. Adjournment**

There being no further business or comments, the Public Utility Board was adjourned at 6:48 p.m. until Wednesday, August 14, 2013, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:

  
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 David S. Nelson, Chair

  
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 Bryan Flint, Secretary