

APPROVED 8-12-15

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 July 22, 2015
 6:30 p.m.

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

Present: Woodrow Jones, Mark Patterson, Bryan Flint, Monique Trudnowski.

Excused: David Nelson

The meeting was quorate.

Minutes of the Previous Meetings

Mr. Patterson moved that the minutes of the previous meetings be adopted; seconded by Mrs. Trudnowski. 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

Mr. Gentry Worth inquired when the public will be notified of future Click! revenue shortfalls and any effect they will have on power bills and whether Click!'s revenue shortfalls were known at its inception. In response to a request to be notified of future Click! discussions, Chris Gleason, Community and Media Services Manager, spoke with Mr. Worth obtained his contact information for notifications.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-10791 – Award contracts and approve purchases:
1. Increase contract to Rognlins, Inc., for the construction of hatcheries at the Cushman Hydroelectric Project (\$350,518; Cumulative contract total \$13,947,718, plus sales tax).

Mr. Patterson moved to adopt the resolution; seconded by Mrs. Trudnowski.

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

D-2 Resolution U-10792 – Authorize Tacoma Public Utilities and its employees to provide utility services to state-licensed marijuana businesses.

Mr. Patterson moved to adopt the resolution; seconded by Mrs. Trudnowski.

Bill Fosbre, Chief Deputy City Attorney, summarized the resolution and Board Members outlined their concerns and provided input.

Mrs. Trudnowski moved to hold Resolution U-10792 over to the Board meeting of August 12, 2015; seconded by Mr. Patterson.

Voice vote was taken and carried. The motion to hold this resolution over to August 12, 2015 was approved.

D-3 Resolution U-10793 - Approve Declaration of Surplus Utility Specific Equipment no longer needed for Tacoma Power's current or future needs and authorize the sale of equipment to the highest responsive bidder.

Mr. Patterson moved to adopt the resolution; seconded by Mrs. Trudnowski.

Dale Loveland, Power Network Supervisor, summarized the resolutions. The utility has determined that 303 distribution transformers are surplus to Tacoma Power's needs and no longer necessary for continued normal operations due to age, reliability, or damage. Washington law requires the equipment be declared as surplus, conduct a public hearing to collect testimony on the sale of the equipment, and authorize the sale of the equipment.

Prior to voting on this matter a public hearing was held per RCW 35.94.040. No public comments were made. Voice vote was taken and carried. The resolution was adopted.

D-4 Resolution U-10794 – Authorize Tacoma Power to enter into a funding agreement with Peak Reliability, Inc., in accordance with the reliability coordinator funding agreement.

Mr. Patterson moved to adopt the resolution; seconded by Mrs. Trudnowski.

Byron Williamson, Reliability and Compliance Manager, summarized the resolution. Peak Reliability is the reliability coordinator for the western interconnection. They work with balancing authorities, transmission owners, and transmission operators to minimize disruptions, provide leadership, and help assure reliability of the bulk electric system. Tacoma Power is required to work with the reliability coordinator to satisfy multiple North American Electric Reliability Corporation (NERC) standards. The costs associated with this agreement will be assessed annually, based on net energy for load and Tacoma Power's NERC registered functions.

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

D-5 Resolution U-10795 – Authorize Tacoma Power to revise the transmission rate charged to Lewis County Public Utility District under the 1993 Transmission Service Agreement between the parties.

Mr. Patterson moved to adopt the resolution; seconded by Mrs. Trudnowski.

Marc Donaldson, Power Analyst, summarized the resolution. Tacoma Power and Lewis County PUD entered into a transmission service agreement in December of 1993. Under the agreement, Tacoma Power provides transmission service to Lewis County PUD for the delivery of its Cowlitz Falls generation over certain facilities owned by Tacoma Power to the Bonneville Power Administration transmission system. The charges are based on facilities used to deliver the generation. Following the annual wheeling charge methodology, Tacoma Power has determined that the rate should be revised to \$189,269.

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

- D-6 Resolution U-10796 – Authorize Tacoma Power to execute a customer-funded construction service agreement with the Other Stuff LLC to provide electric capacity increase for redevelopment of the former Nalley Valley site.

Mr. Patterson moved to adopt the resolution; seconded by Mrs. Trudnowski.

Joe Wilson, Assistant Power Section Manager, summarized the resolution. A developer purchased the former Nalley Valley site to be used by state-licensed marijuana production and processing facilities. The developer anticipates the intended agricultural use of the leased units will require higher energy intensity and has requested additional capacity. A system study identified capacity increases necessary to meet two energy demand thresholds requested by the developer, which will be fully funded by the developer. Tacoma Power will require the customer to prepay and fund 100% of the capacity costs necessary to meet their load; impose contract terms that will terminate Tacoma Power's obligations to perform and provide adequate assurances and security for repayment and/or return of any equipment purchased if the United States Department of Justice August 29, 2013 enforcement guidance memo is no longer in effect or the federal government threatens to, or does, take adverse action against Tacoma Power or TPU based on providing utility service to state licensed marijuana businesses; and require the developer to defend, indemnify, and hold harmless the city, TPU, Tacoma Power, and its officers and employees against any and all liability arising out of or relating to the developer or its leases engaging in business activities involving the production, processing, storage, distribution, or sale of a Schedule 1 controlled substance under the Federal Controlled Substance Act of 1970.

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

H. Reports of the Director

There were no reports.


I. Comments by the Board

Board Member Trudnowski invited the public to take advantage of seeing free Click! Family Flicks at the Grand Cinema and various parks throughout Tacoma and Pierce County.


J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:37 p.m. until Wednesday, August 12, 2015, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:



Bryan Flint, Chair



Monique Trudnowski, Secretary