

APPROVED 11-19-14

City of Tacoma
Public Utility Board Meeting
October 29, 2014
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, David Nelson, Bryan Flint, Mark Patterson, Monique Trudnowski

The meeting was quorate.

Minutes of the Previous Meetings

Mr. Flint 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-10728 – Award contracts and approve purchases:

1. Award two-year contract to Asphalt Patch Systems, Inc., for asphalt patching and concrete repair services (\$1,343,300, plus thirty percent contingency; cumulative total \$1,746,290, plus sales tax);
2. Award contract to Reivax North America for labor, materials, and equipment, required to design, manufacture, test, deliver, certify, field test, commission, and provide training for eleven static excitation systems at five hydropower plants (\$2,048,281, plus sales tax);
3. Award contract to Coast Rail, Inc., for the replacement of existing railroad track components and extending an adjacent track (\$1,219,670, plus applicable sales tax).

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

Staff provided clarification upon request on item number two.

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

D-2 Resolution U-10729 – Amend chapters of the Tacoma Municipal Code to address inclusion of a new definition, changes in the certification process, and extension of Small Business Enterprise programs.

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

In response to a Board comment Charles Wilson, Small Business Enterprise Manager, confirmed that the proposed changes will enhance program delivery, provide greater flexibility, and allows consistency with other jurisdictions.

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

D-3 Motion 14-12 – Authorize the purchase of comprehensive general liability insurance for Tacoma Public Utilities for the period of December 1, 2014 through December 1, 2015.

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

Jim Sant, Deputy Director for Administration, detailed the provisions of the comprehensive general liability insurance coverage for the upcoming year.

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

D-4 Motion 14-13 – The Department of Public Utilities 2015/2016 budget, as submitted and filed with the Clerk of the Board, be accepted and approved and the City Council is requested to approve the same as provided by Section 4.12 of the Tacoma City Charter.

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

Jim Sant, Deputy Director for Administration, summarized the proposed 2015/2016 biennial TPU budget. Each Board Member made positive remarks about the preparation that went into creating the budget and recommended passage by the City Council.

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

D-5 Resolution U-10730 – Authorize Tacoma Power to execute Exhibit D to the Transmission Services Agreement with Iberdrola Renewables and provide the Tacoma Power Superintendent the authority to modify future exhibits.

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

Mr. Nelson recused himself and left the dais.

Marc Donaldson, Power Analyst, summarized the resolution which would authorize Tacoma Power to execute an amended Exhibit D to the transmission services agreement with Iberdrola Renewables to require the customer to reserve transmission

services using the Tacoma Power Open Access Transmission Tariff and provide the Tacoma Power Superintendent the authority to modify or amend exhibits to the agreement going forward.

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

D-6 Resolution U-10731 – Authorize Tacoma Water to enter into a wholesale water agreement with the City of Auburn.

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

Sean Senescall, Rates and Financial Planning Manager, outlined the provisions of the proposed wholesale agreement with the City of Auburn. The water requested by the City of Auburn is within the forecast quantity of water projected by Tacoma Water to be available for wholesale needs and no new infrastructure is needed to fulfill this agreement.

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

D-7 Resolution U-10732 – Authorize Tacoma Rail to execute a one-year extension of a lease and operating agreements with the Burlington Northern Santa Fe for the Capital Division.

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

Tim Flood, Rail Terminal Superintendent, summarized the resolution. Tacoma Rail requests approval for a one-year extension of the lease and operating agreements with the Burlington Northern Santa Fe Railroad to continue as the short line operator of freight service between South Tacoma and Nisqually, St. Clair and Quadlok, and Olympia and Belmore. Service and maintenance responsibilities over these segments were conveyed to Tacoma Rail by means of a ten-year lease. A one-year extension would allow time to consider the risks and benefits associated with another long term lease of these segments from the Burlington Northern Santa Fe Railroad.

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

H. Reports of the Director

Director Gaines thanked the Board for their engagement and support through the budget preparation process.

H-1 September cash projections for Power, Water, and Rail

I. Comments by the Board

Board Members Trudnowski and Flint remarked about the grand opening of the Niagara bottling plant on October 23, 2014. Positive comments about the partnerships with the County, City, and Tacoma Water to bring the bottling plant to TPU's service territory were made.

Mr. Nelson made positive remarks about the wholesale water agreement with the City of Auburn and for budget management for the construction of the filtration plant.

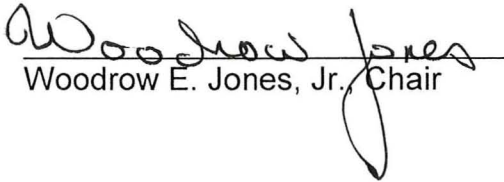
Chair Jones made closed by reiterating his appreciation to staff for their hard work and good stewardship in preparing the proposed budget.

J. Adjournment

Chair Jones announced that the Board meetings for the remainder of the year are scheduled for November 19 and December 17.

There being no further business or comments, the Public Utility Board was adjourned at 7:36 p.m. until Wednesday, November 19, 2014, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:


Woodrow E. Jones, Jr., Chair


Mark Patterson, Secretary