

APPROVED 10-26-16

MINUTES  
 City of Tacoma  
 Public Utility Board Meeting  
 October 12, 2016  
 6:30 p.m.

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

**Present:** Mark Patterson, Monique Trudnowski; Woodrow Jones, Karen Larkin

**Excused:** Bryan Flint

The meeting was quorate.

**Minutes of the Previous Meetings**

Ms. Trudnowski moved that the minutes of the previous meetings be adopted; seconded by Mr. Jones. Voice vote was taken and carried. The minutes were declared adopted and made part of the record.

**Recognitions**

Chair Patterson announced that TPU employees have pledged approximately \$134,000, with other activities bringing in an extra \$20,000, to this year's United Way campaign. Chris Gleason, Community and Media Services Manager, stated that numbers have been updated to \$145,000 in employee pledges to the United Way. Board Members made positive remarks about the great showing of TPU support to the Tacoma/Pierce County community.

Ms. Gleason then informed the Board of five awards given to Tacoma Public Utilities from the Northwest Public Power Association: First place advertising campaign for Tacoma Power's "We've Got a Rebate for That" to promote energy conservation programs; three second-place awards for the 2015 annual report, internal communications, and wild-card category; and a special publication award for Tacoma Power's Integrated Resource Plan. Board Members made positive remarks about the staff's work to earn the awards.

**Comments from the Public**

There was no public comment.

## Consent Agenda

There were no items on the consent agenda.

## Regular Agenda

- D-1 Resolution U-10880 – Award contracts and approve purchases:
1. Award contract to Utility Data Contractors, Inc., for professional services to assess mobile workforce systems and technology roadmap development (\$225,319);
  2. Award contract to Open Systems International, Inc., for new Energy Management System software, hardware, and product training (\$3,645,554, plus sales tax);
  3. Award three-year contract to Ferrosafe, LLC, for vegetation management control within the railroad right-of-way (\$191,159, plus sales tax plus the option for two additional one-year renewal periods for a cumulative total of \$321,000, plus sales tax).

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Jones.

In response to a Board inquiry on item number one regarding whether or not this is a shared contract with General Government, Joe Tellez, Assistant Power Section Manager, stated that the system being replaced will be used by both General Government and TPU. General Government is participating in the consulting phase of the engagement. For the later part of the project when there are solutions to implement, part is covered in Power and Water and General Government costs are through assessment.

In response to a Board request, Joe Wilson, Assistant Power Section Manager, provided background on item number two. This contract is to replace the current Emergency Management System (EMS) that is over 15 years old and has dated technology. The EMS is the system by which Tacoma Power controls local generation, monitors load, operates the system, dispatches, and sends/collects data. It is the critical control element of the power utility and the federal government has identified this system as a critical, controlled infrastructure. The Board received a detailed briefing at a previous study session. Board Members made positive remarks about the RFP process, planning, and research.

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

- D-2 Motion 16-10 – Pursuant to the City of Tacoma, Public Utility Board Rules for Order of Business, Rule 1(b), the Public Utility Board regular meetings and study sessions for November and December 2016 will be set for November 9, 2016 and December 14, 2016.

Ms. Trudnowski moved to approve the motion; seconded by Mr. Jones.

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

- D-3 Resolution U-10881 – Amend existing contract with Chapter & Verse by \$130,000 to provide branding concepts for Tacoma Power's commercial energy conservation programs.

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Jones.

Board Members made positive remarks about the branding for Tacoma Power's energy programs and stated they look forward to see what can be done for commercial and multi-family customers.

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

- D-4 Resolution U-10882 – Amend existing contract with Traversa Consulting, Inc., by \$167,500 for establishment of the Market Communications section for TPU Public Affairs & Communications and Customer Services.

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Jones.

Board Member Larkin moved to postpone this item to the October 26, 2016 regular meeting in order to get additional background from staff; seconded by Board Member Jones.

Voice vote with four ayes and Board Member Trudnowski dissenting to postpone this item was taken and carried.

- D-5 Resolution U-10883 – Approve to declare surplus and authorize the negotiated disposition of Tacoma Water's 'Wapato Triangle' property located in the southeast corner of Tacoma Mall Boulevard and south 58<sup>th</sup> Street in Tacoma for \$560,000.

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Jones.

Gloria Fletcher, Sr. Real Estate Officer, summarized the resolution. Tacoma Water purchased this property, which is a small remnant of the original 80-acre acquisition, via condemnation for the purposes of constructing, operating, and maintaining a reservoir. In the early 1970's the entire site was declared surplus when Tacoma Water determined that it would not develop the reservoir and today most of that property is known as the Wapato Hills Urban Wildlife Habitat. The remaining vacant property, containing 0.70 acres is zoned C-2, General Community Commercial District, and has been posted on the City's surplus website with the appraised value of \$530,000. Tacoma Water has accepted an offer from Heritage Bank for \$560,000; the bank intends on developing a branch office on this site. The terms and conditions have been approved by Tacoma Water, Real Property Services, and the City's Legal Department.

In response to a Board inquiry about standard practices to market and bid these properties, Ms. Fletcher explained that there are two general practices; one is a straight forward bid sale and the other is a negotiated disposition. With the latter, TPU can post

property on the web or list property with a broker. For this particular property, it was posted on the web and we were just about to seek a broker due to lack of activity, but then an offer was made. It is standard practice to start in this manner.

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

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

F-1 Resolution U-10872 – Authorize acceptance of a cable TV franchise agreement between the City of Fircrest and Click! Network.

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Jones.

Bill Fosbre, Chief Deputy City Attorney, summarized the resolution. This resolution would accept a cable TV franchise agreement between the City of Fircrest and Click! Network for continued cable television operations within the City of Fircrest for an additional ten-year period. The Fircrest City Council approved this agreement by its Ordinance No. 1578. The Legal Department has provided the Board with a confidential memorandum providing additional details.

In response to a Board inquiry, Mr. Fosbre stated that the contract provisions are the same as Comcast's and gives the opportunity for anyone in Fircrest to enroll in Click!. In response to a Board inquiry regarding this agreement supporting enhanced Click! services in Fircrest, Mr. Fosbre stated that the same agreement could be used for that purpose.

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

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

Director Gaines then called on Dolores Stegeman, Transmission & Distribution Manager, for a report on the anticipated wind storm and preparations. Ms. Stegeman stated that two storm systems are projected for the weekend. Tacoma Power has a comprehensive tree trimming program that minimizes outages due to falling limbs. Tacoma Power has a formal response plan using an incident command structure defined by FEMA. The plan is scalable, providing support service to restore and repair as needed. Transmission and Distribution staff trains for these occurrences. The first priority is to assess damage and ensure public safety. When it is safe to do so, responses are tailored. Command staff and field resources are prepared to be called in. The order of priority for restoration is a public safety assessment; ensuring the transmission system is restored; repair the distribution backbone; repair primary radials, and then individual services.

Board Member Larkin made positive comments about Tacoma Power's system reliability.

Director Gaines called on Jim Sant, Deputy Director for Administration, to provide an overview of the draft preliminary budget for 2017/2018. Mr. Sant presented the key

budget information, covering revenues, expenditures, debt service, capital outlay, and rate adjustment recommendations for each of the operating divisions. Tacoma Power staff recommendation is a 5.9% system average rate increase in 2017 and 2018, beginning April 1, 2017. Tacoma Water staff recommendation is a 4% system average increase in 2017 and 2018, beginning April 1, 2017. Tacoma Rail staff recommendation is a \$3.00 increase to intermodal traffic and \$5.00 for commercial traffic. Next steps in the budget review process includes Board consideration on October 26, 2016, submittal to the City Clerk by October 31, 2016, and Council consideration in November.

In response to a Board request, Mr. Sant stated that for additional information on the budget, the public can attend the joint study session with the City Council on October 18 or go to the city's web site.

**I. Comments by the Board**

Mr. Jones made positive remarks to staff for the budget presentation and emphasized that staff prepares the budget with a long planning horizon in mind.

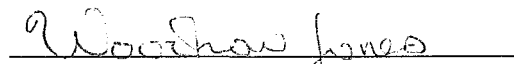
Ms. Trudnowski expressed appreciation to the staff for their support of the United Way.

**J. Adjournment**

There being no further business or comments, the Public Utility Board was adjourned at 7:12 p.m. until Wednesday, October 26, 2016, 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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 Mark Patterson, Chair

  
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 Woodrow E. Jones, Jr., Secretary