

APPROVED 11-15-17

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 October 25, 2017
 6:30 p.m.

Ms. Trudnowski called the Public Utility Board meeting to order at 6:30 p.m. at the Tacoma Metro Parks Auditorium.

Present: Mark Patterson, Woodrow E. Jones, Jr., Monique Trudnowski, Bryan Flint, Karen Larkin

The meeting was quorate.

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.

Recognitions

There were no recognitions.

Comments from the Public

Kit Burns made remarks in opposition of outsourcing of Click! employees or duties and in opposition of including phones in Click! bundling offers and requested Board policy against such action. Mr. Burns also informed the Board that broadcast fee negotiations will soon occur.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-10962 – Award contracts and approve purchases:
1. Award three-year contracts to Advanced Government Services, Inc., and Traffic Management, Inc., for traffic flagging services on an as-needed basis (\$1,378,032.40 and \$80,000, respectively. Combined total of \$1,458,032.40, plus the option for two additional one-year renewal periods for a combined cumulative total of \$2,444,682, plus sales tax);
 2. Award three-year contract to Pacific States Marine Fisheries Commission for fisheries technician and biologist support services in support of Tacoma Power's Cowlitz and Cushman hydroelectric project license implementation (\$5,800,000, sales tax not applicable).

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

In response to a Board request for a summary of item number one, Roberta Cox, Management Analyst, stated that this contract is for TPU-wide flagging services with most of the work to be

performed in rights of ways and limited highways. The total includes the regular time rate and equipment rentals such as message boards, barrels and cones. In response to a Board inquiry about safety considerations, Ms. Cox answered that the bid specification had qualification requirements that firms had to have two years of prior experience with a similar contract. All flaggers must be certified, which is regulated by the state. Another requirement is that 80 hours of flagging work had to be done within the last six months. TPU has worked with this contractor in the past and they have been stellar performers. If there is ever a performance problem, it is reported and that employee does not continue with TPU.

In response to a Board request for background on item number two, Matt Bleich, Power Supervisor, summarized the contract. This contract is for technological and biological support for a variety of purposes for Federal Energy Regulatory Commission (FERC) license implementation. This includes staffing of the north shore collector, implementation of the Cowlitz hatchery adult upstream fish collection, and evaluation services at Cowlitz, Cushman, and the Cowlitz upstream basin. In response to a Board inquiry about the cumulative contract amounts, Mr. Bleich answered that this contract has increased incrementally since 2004. Tacoma Power is moving into a more complex implementation phase in licensing. Prior contracts had to do with the negotiation phase. The implementation phase includes the cost of the work. Flexibility for staff to evaluate how much work to do in house and how much to contract exists. There will be an increased workload with implementation and we will assess how much to do in house. In response to a Board inquiry regarding how savings are estimated when there has been no bid, Mr. Bleich answered that the contract style is an interagency agreement, so it is not competitively bid. By evaluating a series of other similar contracts, staff was able to arrive at the estimated savings rate.

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

D-2 Motion 17-15 – 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 2017 will be set for November 15, 2017 and December 13, 2017.

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

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

D-3 Motion 17-16 – Authorize the purchase of comprehensive general liability insurance for December 1, 2017 through December 1, 2018.

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

Jim Sant, Deputy Director for Administration, summarized the motion. The total premium for the upcoming year is \$1,445,164 and reflects an overall increase of 4.6 percent over the current premium. The coverage details for general liability insurance, railroad liability insurance, and public official and employment practices liability insurance were reviewed. In response to a Board request for clarification, Mr. Sant answered that the coverage is the same as last year and the cost increase is due to an increase in marketplace insurance rates only.

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

D-4 Resolution – U-10963 – Authorize execution of Sound Transit’s Link Expansion ST2 city services agreement work orders six and seven.

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

10110 Ryan Flynn, Water Division Assistant Manager, summarized the resolution. On March 22, 2017 under Resolution U-10916, the Board authorized execution of the Sound Transit Tacoma Link Expansion City Services Agreement. This agreement set forth the terms and conditions upon which Tacoma Power and Water will provide services to Sound Transit to facilitate design and construction of the project. Work orders six and seven set forth the duties and responsibilities for construction and inspection activities. The estimated cost of construction and inspection activities for Tacoma Power is \$1,067,000 and \$1,945,000 for Tacoma Water for a total of \$3,012,000.

In response to a Board inquiry regarding how TPU staff is engaging with General Government and Sound Transit, Mr. Flynn answered that everyone is working well together and are having weekly traffic control meetings together. In response to a Board inquiry about possible over runs over the 10 percent contingency language in the contract, Mr. Flynn answered that Tacoma Water's costs are its own to bear and Sound Transit will be kept advised of rising costs as that is where the contingency language applies.

Board Members made positive remarks on the project overall.

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

D-5 Resolution U-10964 – Authorize execution of the first amendment to the Tacoma Link Expansion Funding Agreement relating to the joint city and Sound Transit expansion project for light rail.

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

Chris Bacha, Chief Deputy City Attorney, summarized the resolution. Projects funded under the Sound Transit project require a local contribution. The original Tacoma Link Expansion project was estimated to cost \$175M and provide for a 2.4 mile expansion of the Tacoma Link within the city limits. As part of the 60 percent design estimate, the project cost exceeded \$175M. Sound Transit and city staff worked jointly to reduce costs; however, the project cost still remained above \$185M. The proposed amendment alters the formula for the city's contribution so that it does not exceed \$47.8M. The fiscal impact will begin in the 2019/2020 biennial budget and is estimated to be approximately \$47.8 M. Based upon the estimated value of available grants, in-kind contributions, and utility work to be paid with utility funds, the total general fund obligation over the 2019/2020 and 2021/2022 biennial budgets is estimated to be in the range of \$1.1 to \$5.5M. The overall funding obligation and the portion paid from the general fund could increase or decrease depending upon the actual cost of the utility work and the actual project cost. If the amendment is approved, the city's contribution formula would be altered not to exceed \$47.8M.

In response to a Board inquiry regarding the cause of the cost increases, Mr. Bacha answered that construction costs for both labor and materials are increasing. Also, there were changes in the scope of work and some items got cut from the project; the city's contribution will be capped at \$48.7M. In response to a Board inquiry regarding what was cut from the project, Corey Newton, Project Manager, answered that value engineering was done to reduce costs and some station platforms were reduced in size. Sound Transit is taking on increases in order to complete the project. In response to a Board inquiry about the status of federal funding and total grant amounts, Mr. Newton stated he would provide that information to the Board at a later time after checking details. In response to a Board inquiry, Mr. Bacha stated that the Council has to confirm what the Board passes. Mr. Bacha confirmed that these grants will not affect TPU's contribution or methodology to making calculations; this item is being brought to the Board because this body previously approved the initial action and thought it prudent to bring all amendments as well.

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

Mr. Patterson moved to postpone Resolution U-10965 indefinitely; seconded by Ms. Larkin.

Mr. Patterson summarized his reasons for the motion. At this point in time, it isn't clear what effect this action would have on existing litigation with Click!. It would be most prudent for the litigation and discovery phase to proceed before considering such action.

Voice vote to postpone this resolution indefinitely was taken and carried.

H. Reports of the Director

There were no reports of the Director.

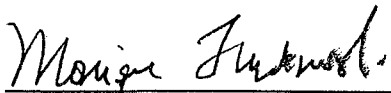
I. Comments by the Board

The Board thanked Metro Parks for the use of their facilities for the meeting.


J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:11 p.m. until Wednesday, November 15, 2017 for a study session beginning at 3:00 p.m. at Tacoma Public Utilities, followed by the regular meeting at 6:30 p.m. at Tacoma Metro Parks Headquarters.

Approved:



Monique Trudnowski, Chair



Karen Larkin, Secretary