

APPROVED 5-8-19

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 April 24, 2019
 6:30 p.m.

Chair Jones called the Public Utility Board meeting to order at 6:30 p.m. in the auditorium at Tacoma Public Utilities.

Present: Woodrow E. Jones, Jr., Mark Patterson, Christine Cooley, Bryan Flint, Karen Larkin

The meeting was quorate.

Minutes of the Previous Meetings

Mr. Patterson moved that the minutes of the previous meetings be adopted; seconded by Mr. Flint. Voice vote was taken and carried with Board Member Larkin abstaining. The minutes were declared adopted.

Recognitions

There were no recognitions.

Public comment

There were no comments by the public.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

D-1 Resolution U-11078 – Award contracts and approve purchases:

1. Award three-year contract to Altec Industries, Inc., for the purchase of various new utility truck body devices planned for replacement in 2019/2020 (Includes option to for a one-year extension. \$3,826,506.22, plus applicable taxes);
2. Award contract to Sherman & Reilly, Inc., for the purchase of a trailer-mounted puller/tensioner (\$244,149, plus applicable taxes);
3. Award contract J.J. Kane Auctioneers for auctioning services for surplus vehicles and equipment on an as-needed basis (Undetermined amount deducted directly from the sale proceeds; includes option to extend for three additional one-year renewal periods);

4. Award four-year contract to James G. Murphy Co., Inc., for auctioning services for surplus vehicles and equipment on an as-needed basis (Undetermined amount deducted directly from the sale proceeds);
5. Award contract to William E. Munson Company for the purchase of a debris fish barge (\$353,085, plus applicable taxes);
6. Award contract to Exergy Corporation for consulting services to advance analytics capability to make better decisions and deliver value to customers (\$244,521, plus applicable taxes);
7. Award contract to Pape & Sons Construction, Inc. for the replacement of water mains, street restoration, and ADA ramp restoration in the vicinity of North 19th Street and North Anderson Street (\$331,932, plus applicable taxes).
8. Increase and extend citywide contract with Stronghold Armored, Inc., for armored car services (\$300,000; cumulative total \$500,000, plus applicable taxes).

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

In response to a Board inquiry on item number one about the purchase schedule, Don Ashmore, Fleet Manager, stated that all vehicles on the list meet the criteria for replacement and will be replaced in the current biennium.

In response to a Board request for background on competitive bidding and the Sourcewell Company, Mr. Ashmore explained that The Sourcewell Company used to be known as the National Joint Powers Alliance and competitively bid this contract with a cooperative that is similar to state contracting, but on a national level. Sourcewell uses their buying power to get discounts.

In response to a Board inquiry on why there are two different vendors on items three and four, Mr. Ashmore stated that there are a large amount of vehicles being surplussed and TPU is looking to move them as soon as possible. JJ Kane is more aligned with utility power groups and can be used nationwide to surplus specialized aerial equipment. James G. Murphy Company is more conducive to surplussing lighter equipment.

In response to a Board Member request to provide additional background on item number four, Andrew Braeger, Power Engineer, stated that TPU has outlined a strategic initiative around data driven decision making. This engagement provides the opportunity to help define the governance plan, road map, and analytics strategy. This is also an important component in the Advanced Meter Project. It provides the opportunity to leverage data that will be coming from the meters to drive better solutions for customers and enhance utility operations. Director Flowers added that there is also the opportunity to leverage services for data mining and informing decisions. It would be prudent to try to coordinate this effort with the development of the Board's strategic directives. In response to a Board inquiry about building in-house analytics, Mr. Braeger stated that the plan is to enable self-service. This engagement is to define the strategy and roadmap for analytics capability. It is the ultimate vision to achieve self-analytics to become a more data-driven organization.

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

- D-2 Resolution U-11079 – Approve Declaration of Surplus Utility Specific Equipment for nine vehicles no longer needed for TPU's current or future needs and authorize the sale of said equipment to the highest responsive bidder.

Ms. Larkin to adopt the resolution; seconded by Mr. Flint.

Don Ashmore, Fleet Manager, summarized the resolution. The nine TPU vehicles are considered surplus to TPU's needs due to their age and mechanical condition. This heavy duty fleet equipment has a typical replacement criterion between 12-15 years or 100,000. The actual replacement schedule is based on use, specific maintenance issues, and changes in technology or work needs which is determined by Fleet Services and the assigned workgroups. This equipment has reached its useful life and is no longer cost effective to maintain and/or does not perform at an acceptable level.

In response to a Board inquiry for additional background on the need to surplus the vehicles, Mr. Ashmore provided background. In the spring of 2018, line crews were working in the Versalift when the aerial bucket truck went horizontal on its own. The ground crews were able to lower the bucket and the crews were unharmed. Versalift investigated, found a solution, and made repairs. It was determined to install the fix on all seven trucks. A second unit failed and the bucket again moved on its own with a crew in the air in the summer of 2018. Fleet investigated and other problems were noted. The vehicles were again sent for repairs with Versalift reporting everything was resolved. The fleet was down for most of the summer during the heavy construction season. In 2019 during the storm event, a bucket started moving on its own again. The crew reacted and safely got down. Versalift investigated again and could not replicate the problem. It was then determined that enough time was given to find a solution and it was in the best interest of safety to remove the units from service. The trucks are beyond the warranty timeline. We have received notification from Versalift that there is a solution to the issues and we're enacting the solution so that the vehicles can be surplussed in good faith. Versalift did sponsor a majority of the fixes at no cost to the utility. Versalift did not respond to the offer to purchase the vehicles back. Board Members made positive remarks about acting in the best interest of employee safety.

Prior to voting, per RCW 35,04.040, Chair Jones called for any public comments. There were none.

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

D-3 Resolution U-11080 - Award three-year contract to Omnetric Corp., to implement the Meter Data Management System of the Advanced Meter Project in the amount of \$1,512,648.

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

Board Member Larkin moved to amend Resolution U-11080 by clarifying that all references to Exhibit A in the resolution are the Contracts and Awards Board Memorandum and by adding the contract amount of \$1,212,648, plus applicable taxes and a contingency of \$300,000 for a projected contract total of \$1,512,648, in the fourth "whereas" and the "be it resolved" clauses of the resolution; seconded by Mr. Flint.

Voice vote to amend the resolution was taken and carried.

Andre Pedferri, Advanced Meter Project Manager, summarized the resolution.

10350

The AM Program consists of implementing an advanced metering infrastructure throughout the Tacoma Public Utilities' service area with advanced meters for both power and water services. Approving this contract allows TPU to bring on our Meter Data Management System (MDMS) provider to start building the MDMS that will collect the data received from the advanced meters. The existing power and water infrastructure is aging and inefficient. Advanced meters will replace an aging infrastructure and infuse technology that will fundamentally transform TPU's relationship with its customers, enabling them to become engaged water and power consumers. The Advanced Meter program forms the critical and essential technology foundation to enhance power and water services to all customers that over time will provide near real-time information necessary so customers can manage their usage, control their costs and help the environment. Power and water operational benefits will result in higher reliability and system efficiency. TPU can continue to replace power and water meters with electromechanical meters that require manual reading. Continuing down this course will leave TPU behind the technology curve being incorporated into other utility infrastructures. Implementing an Advanced Meter Infrastructure will bring TPU to the forefront of meter technologies and enable TPU to take advantage of the efficiencies gained by moving away from electromechanical meters. Tacoma Power, Utility Technology Services (UTS) and Tacoma Water recommend a contract be awarded to Omnetric Corp., Houston, TX, to implement the Meter Data Management System (MDMS) of the Advanced Metering (AM) Program, in the amount of \$1,212,648.00, plus applicable taxes, for an initial contract term through December 31, 2021, plus the option to renew for an additional one-year term, for a projected contract total of \$1,512,648.00. RFP Specification No. PS18-0062F was opened June 5, 2018. Three companies were invited to bid in addition to normal advertising of the project. Three submittals were received. A selection advisory committee (SAC) comprised of 13 members from Tacoma Power, Tacoma Water, Information Technology Department, and Customer Services ranked proposals using the following categories and weights: MDM Solution Requirements Compliance 55 percent; Price/Value 20 percent; Qualifications /Experience of Firm and Project Team 10 percent; Project Methodology and Approach 10 percent; and Small Business Enterprise (SBE) / Minority and Women's Business Enterprise (MWBE) 5 percent. The proposal submitted by Omnetric was ranked the highest by the selection advisory committee.

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

D-4 Resolution U-11081 - Award contract to Sensus USA, Inc., for Advanced Meter Project implementation services in the amount of \$1,950,900.

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

Ms. Larkin moved to amend Resolution U-110891 by clarifying that all references to Exhibit A in the resolution are the Contracts and Awards Board Memorandum and by adding the contract amount of \$1,650,900 plus applicable taxes and a contingency of \$300,000 for a projected contract total of \$1,950,000 in the fourth 'whereas' and the 'be it resolved' clauses of the resolution; seconded by Mr. Flint.

Voice vote to amend the resolution was taken and carried.

Andre Pedferri, Advanced Meter Project Manager, summarized the resolution. The Advanced Meter project consists of implementing an advanced metering infrastructure throughout the Tacoma Public Utilities' service area with advanced meters for both power and water services. Approving this contract allows TPU to start ordering and building the infrastructure required for the integration and implementation phases of the program, including the communications system, network, and power and water metering devices and modules. The existing power and water infrastructure is aging and inefficient. Advanced meters will replace an aging infrastructure and infuse technology that will fundamentally transform TPU's relationship with its customers, enabling them to become engaged water and power consumers. The Advanced Meter Infrastructure program forms the critical and essential technology foundation to enhance power and water services to all customers that over time will provide near real-time information necessary so customers can manage their usage, control their costs and help the environment. Power and water operational benefits will result in higher reliability and system efficiency. TPU could continue to use non-communicating power and water meters that require manual reading. The current electromechanical meters TPU uses are obsolete and no longer being manufactured. Continuing to use non-AMI meters will leave TPU outside of the technology standards already implemented by more than half of all U.S. utilities and unable to provide enhanced utility services many customers are requesting and expect to be available. Non-communicating meters also prevent TPU from realizing the operational improvements now commonly in practice in the Utility industry. RFP Specification No. PS18-0015F was opened May 15, 2018. Seven companies were invited to bid in addition to normal advertising of the project. Seven submittals were received and thoroughly evaluated. A selection advisory committee (SAC) comprised of 10 members from Tacoma Power, Tacoma Water, Information Technology Department, and Customer Services ranked proposals using the following categories and weights: AMI Solution Requirements Compliance 40%; Price/Value – 25 percent; Network Coverage Plans 15 percent; Qualifications/Experience of Firm and Project Team – 10 percent; Proposed Methodology and Approach – 5 percent; and Small Business Enterprise (SBE)/Minority and Women's Business Enterprise (MWBE) – 5 percent. The proposal submitted by Sensus was ranked the highest by the selection advisory committee.

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

D-5 Resolution U-11082 – Authorize execution of retention incentive and severance agreements between the City of Tacoma and Click! non-represented employees.

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

Cheryl Bidleman, Assistant HR Director, summarized the resolution which recommends approval of retention incentive agreements and severance agreements between the City and Click! non-represented employees. The retention incentive will apply to non-represented employees who have been deemed essential for transitioning Click! operations to a new partner. The terms of the agreements are identical to the agreement negotiated with the City with the International Brotherhood of Electrical Workers, Local 483, Click! Unit and Washington State Council of County and City Employees, Local 120. There are 10 employees subject to the retention incentive agreement. The agreement provides for a specific definition and designation of essential employees, and upon completion of their time deemed as essential or until Click! ceases operations, the

10352

employees would be eligible for a one-time, lump-sum payment of \$15,000 in compensation for their successful contribution to the transition of Click! operations. In addition, throughout the time period an employee is deemed essential, the employees shall receive one floating holiday every two months during the time they are employed with Click!. The severance agreement provides severance payments for non-represented Click! employees who lose their employment with the City through the layoff process. Eligible employees who are subject to layoff will be entitled to a lump sum severance payment equal to 80 hours for each full year of employment for a maximum of 480 hours. In addition, the employee would be eligible for the equivalent of four months of medical insurance premiums including dental and vision in a lump sum payment. The exact number of employees who may be subject to the severance agreement is unknown at this time. The retention and severance agreements for Click! non-represented employees are anticipated to be scheduled for consideration at the City Council meeting of May 7, 2019.

Board Members made positive remarks about the dedication and excellent service of Click! employees during uncertain and difficult times.

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

H. Reports of the Director

Francine Artis, Assistant Customer Services Manager, provided an update on the low-income assistance program. Ms. Artis shared that Customer Solutions is a team of 11 Customer Services employees dedicated to working with seniors, customers with disabilities, and households with limited incomes who are seeking help with their utility bills. Customer Solutions staff evaluate and attempt to find resources to help households in crisis with their utility bill and enroll eligible households in the appropriate utility assistance program to reduce/prevent future crisis. They also educate and connect households to information and programs in an effort to help sustain their utilities and housing. Ms. Artis summarized the history of TPU assistance programs and outlined the current programs that include the discount rate project, bill credit assistance plan, and the criteria applicable to both. An additional credit is available for those who meet criteria and complete the financial education credit. Ms. Artis summarized all of the community outreach efforts and the increased utilization of TPU's assistance programs as a result. Additional information can be found at www.mytpu.org/assistance. Board Members made positive remarks about the work of the Customer Solutions group and thanked Ms. Artis and her team for the quality work.

Director Flowers reported that the Governor signed the SSB 1512, the Utility Electrification Authority bill on electric vehicle legislation into law. Board Members Flint and Jones attended the signing of the bill in the Governor's office with staff. Staff Members who worked on the bill were Marian Dacca, Lisa Rennie, Chris Weber, and Cam LeHouillier. Board Members made positive remarks about staff's work during the legislative session on this bill.

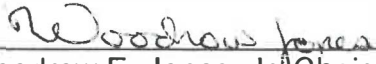
I. Comments by the Board

Board Members Jones and Cooley made positive remarks about their attendance at the annual American Short Line Railroad Association national conference and Tacoma Rail's impact on the national rail industry.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:30 p.m. until Wednesday, May 8, 2019 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 Public Utilities.

Approved:



Woodrow E. Jones, Jr. Chair



Bryan Flint, Secretary

10354