



APPROVED 8-28-19

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 August 14, 2019
 6:30 p.m.

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

Present: Bryan Flint, Christine Cooley, Carlos Watson

Excused: Karen Larkin, Mark Patterson

The meeting was quorate.

Minutes of the Previous Meetings

Ms. Cooley moved that the minutes of the previous meetings be adopted; seconded by Mr. Watson. Voice vote was taken and carried. The minutes were declared adopted.

Recognitions

There were no recognitions.

Public comment

Mitch Shook made comments in opposition of a public/private partnership for Click! and reviewed Click!'s May financials.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

D-1 Resolution U-11094 – Award contracts and approve purchases:

1. Award contract to Maroni Construction, Inc., for citywide debris and sediment hauling service (\$146,250, plus applicable taxes. Includes option to renew for four additional one-year renewals for a projected amount of \$585,000) [Patsy Best, Procurement and Payables Manager];
2. Award three-year contract to PPC Solutions, Inc., for citywide unarmed, uniformed security officer services (\$5,854,192, plus applicable taxes. Includes option to renew for one additional two-year renewal for a projected amount of \$10,261,097) [Patsy Best, Procurement and Payables Manager];

3. Award contract to AAC Utility Partners, LLC for evaluating alternatives for the replacement of the SAP Customer Interaction Center (\$349,000, plus applicable taxes) [Mike Hill, Assistant Customer Services Manager];
4. Award contract to Last Mile, Inc., for the purchase of a replacement video management system and for ongoing purchases of cameras and related security system equipment (\$569,192, plus applicable taxes) [Judd Johnson, Power Supervisor].

Ms. Cooley moved to adopt the resolution; seconded by Mr. Watson.

In response to a Board request for more detail on item number three, Mike Hill, Assistant Customer Services Manager, described the Customer Interaction Center as an interface that the customer contact center and back office uses to help customers. The program was implemented in 2003 with SAP and the contract ends in 2024. The program is becoming obsolete and resources to maintain it are scarce. This contract is to bring in a consultant to work through our TPU requirements before the system's end of life and find an alternative that can be implemented. The consultant will help us identify a solution and staff will come back to the Board for a separate purchase. In response to a Board inquiry about having one bid, Mr. Hill answered that a lot of follow-up was conducted with the one bidder. This is their expertise and they do most of their work with the public sector and are highly recommended.

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

- D-2 Resolution U-11095 – Authorize Tacoma Water to participate in the City of Tacoma, Department of Public Works Street Initiative #13 Project to replace approximately 1,700 feet of six-inch cast iron water main. [Troy Saghafi, Professional Engineer].

Ms. Cooley moved to adopt the resolution; seconded by Mr. Watson.

Troy Saghafi, Professional Engineer, summarized the resolution, which authorizes Tacoma Water to participate in the Department of Public Works Streets Initiative #13 Project. Tacoma Water's portion of the project cost is \$358,473.40, plus applicable taxes. As part of the Public Works Project, Tacoma Water will replace approximately 1,700 linear feet of 6-inch ductile iron water main, portions of which were constructed in 1958. Construction is anticipated to commence in September 2019 and be completed by February 2020. Tacoma Water believes it is in the best interest of the utility and its customers to include the water main replacement work in this project. This partnership will improve project delivery, reduce project costs, mitigate future risks, and consolidate construction disturbance to residents and businesses. In response to a Board inquiry regarding any correlation with the Green Works Project, Mr. Saghafi answered that the Green Works Project is only related to brand new streets that get a full right-of-way while this project is only for maintenance. In response to a Board inquiry regarding how many women or minority owned businesses had bid, Mr. Saghafi stated that there was a percentage tabulated during the bid process and that information can be provided to the Board at a later time.

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

D-3 Resolution U-11096 – Authorize Tacoma Rail to enter into a grant agreement with the Washington State Department of Transportation to upgrade an existing railroad track along Marine View Drive in Tacoma. [Kyle Kellem, Roadmaster]. 10399

Ms. Cooley moved to adopt the resolution; seconded by Mr. Watson

Kyle Kellem, Roadmaster, summarized the resolution. Tacoma Rail requests authorization to enter into a grant agreement with the Washington State Department of Transportation to upgrade an existing railroad track along Marine View Drive. Tacoma Rail was awarded a grant through a competitive call for projects initiated by the Washington State Department of Transportation (WSDOT), with the funds having been appropriated by the State Legislature. The grant agreement (#RRB-1227) is in the amount of \$1,100,000.00 and requires Tacoma Rail to contribute \$475,691.00 in matching funds. The grant will partially fund the replacement of approximately 5,100 feet of old and worn 112-pound rail with new 115-pound rail, select crossties and other upgrades to associated railroad track components, in addition to the rehabilitation of 19 private driveway crossings. In response to a Board inquiry regarding the desired outcomes of the grant, Mr. Kellem answered that the rail was built from 1940-1950 and there are a lot of private crossings. The objective is to strengthen this portion of the line improving overall rail safety.

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

D-4 Resolution U-11097 – Authorize Tacoma Rail to enter into two loan agreements with the Washington State Department of Transportation for the purpose of upgrading 1,550 feet of railroad track for Mazda Siding and 1,900 feet of railroad track for TOTE Yard.

Ms. Cooley moved to adopt the resolution; seconded by Mr. Watson.

Kyle Kellem, Rail Roadmaster, summarized the resolution. Tacoma Rail requests approval to enter into two loan agreements with WSDOT for the purpose of upgrading 1,550 feet of railroad track for Mazda Siding and 1,900 feet track of railroad track for TOTE yard. The two interest-free loans were awarded through a competitive call for projects initiated by WSDOT with funds having been appropriated by the Washington State Legislature. The loans are in the principal amounts of \$250,000 for Mazda Siding (#RRB-1225) and \$400,000 for TOTE Yard (#RRB-1226), less a one percent administrative fee. Loan agreement RRB-1225 for the Mazda Siding project requires Tacoma Rail to contribute \$109,572.00 in matching funds and complete the project by June 30, 2021. Repayment terms require ten annual payments of \$24,000 each beginning October 10, 2021. The loan will partially finance the upgrade of approximately 1,550 feet of old and worn 90-pound rail with new 115-pound rail, to include select crosstie replacement and other railroad track components. Loan agreement RRB-1226 for the TOTE yard project requires Tacoma Rail to contribute \$604,547 in matching funds and complete the project by June 30, 2021. Repayment terms require ten annual payments of \$40,000 each beginning October 1, 2021. The loan will partially finance the upgrade of approximately 1,900 feet of old and worn 90-pound rail with new 115-pound rail, to include select crosstie replacement and other associated railroad track components.

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

H. Reports of the Director

Scott Dewhirst, Water Superintendent, summarized the Water Wholesale Pricing and Policy Revisions covered in the afternoon study session.

Chris Robinson, Power Superintendent, summarized Power's Long Range Financial Plan that was covered in the afternoon study session.

Director Flowers summarized the other study session items that were covered, which were a continuing discussion on Board policies on stakeholder outreach and environmental leadership and an executive session that was held to discuss pending and potential litigation per RCW 42.30.110(1)(i)).

Director Flowers called on Jim Sant, Deputy Director for Administration, to provide a report on the second quarter 2019 budget performance report for Power, Water, and Rail. Mr. Sant presented the key budget information, covering revenues and expenditures, for each of the operating divisions. In response to a Board request for a summary of the hydro conditions, Chris Robinson, Power Superintendent answered that Tacoma Power's supply resources are nearly all hydro and dependent on precipitation. This year has been extraordinarily dry and as a result, staff has had to make more market purchases to the amount of \$11M. There is surplus energy to serve everyone, but there is a financial impact.

Director Flowers introduced the next presentation on the Advanced Meter Project Update/Advanced Analytics. Andrew Braeger, Enterprise Architect summarized how utilities are leveraging data to benefit customers and improve operations. Customer benefits include high consumption or leak notifications, more accurate restoration times, and reduced outages and downtime. Utility benefits include reduced expenses, enhance resiliency and reliability, improve operations and maintenance, improved employee safety, environment and natural resource protection, and real-time situational awareness. Liz Beauregard, Data Scientist, then conducted a demonstration of the computer analytics and reporting features. Brett Vanderblock, Data Scientist, then demonstrated the data analytics capabilities by using the Cushman Hydroelectric Project's fish collector as an example of fish tracking data that can be collected. Joe Tellez, Chief Technology Officer, summarized the presentation's benefits and explained how the data can help communicate with customers on how TPU is operating. In response to a Board request, Mr. Tellez addressed how TPU will keep from being flooded with data. In the past, data storage was expensive. Given advances of cloud technologies and the miniaturization of storage, price points are coming down. Leveraging the cloud as an ecosystem can mitigate storage issues. Chris Robinson, Power Superintendent, added that this data is critical to operations. There was a Board inquiry about fish survival rates after going through the floating fish collector. Staff will circle back to the Board with that requested information.

I. Comments by the Board

Board Member Flint made positive remarks about the long range financial views by Power and Water and how we are now seeing the benefits with their long-term strategies with this dry weather.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:33 p.m. until Wednesday, August 28, 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:



Karen Larkin, Chair



Mark Patterson, Secretary

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