

APPROVED 9-27-17

MINUTES
City of Tacoma
Public Utility Board Meeting
September 13, 2017
6:30 p.m.

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

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

The meeting was quorate.

Minutes of the Previous Meetings

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

Recognitions

Clark Mather, Community and Government Relations Manager, informed the Board of the launch of TPU's 2017 United Way campaign and the hope to build upon last year's successful campaign of TPU employees donating over \$170,000 of personal money to the United Way. Board Members made positive remarks about the contribution of TPU employees.

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-10953 – Award contracts and approve purchases:
1. Increase citywide contract to Business Interiors Northwest for the purchase of furniture and related services on an as-needed basis (\$2,200,000, plus applicable sales tax. Cumulative total \$4,200,000, plus applicable sales tax);
 2. Increase citywide contract to Standard Parts Corp., for the purchase of automotive parts on an as-needed basis (\$200,000, plus sales tax. Cumulative total \$400,000, plus sales tax);
 3. Award contracts to Columbia Ford Lincoln and Northsound Auto Group LLC for the purchase of various new motor vehicles planned for

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- replacement in the current biennium (\$1,730,000 and \$960,000, respectively. No guaranteed or minimum purchase requirement);
4. Award contract to 72 Hour LLC (dba National Auto Fleet Group) for the purchase of various new vehicles planned for replacement in the current biennium (\$1,720,000, plus applicable sales tax. No guaranteed or minimum purchase requirement);
 5. Award contract to Terex Utilities, Inc., for the purchase of three new Terex Hi-Ranger aerial device truck bodies (\$574,845, plus applicable sales tax);
 6. Award contract to Fine Family LLC (dba Trailer Boss) for the purchase of various new trailers planned for replacement in 2017 through 2021 (\$682,614.50, plus applicable sales tax. No guaranteed or minimum purchase requirement);
 7. Increase contract to Goodyear Auto Service for a one year period for the purchase of new tires, tubes, and tire-related repair services (\$360,000, plus applicable sales tax. Cumulative aggregate total \$508,000, plus applicable sales tax. No guaranteed or minimum purchase requirement);
 8. Extend contract to CalAmp Wireless Networks Corporation to continue using the automatic vehicle location system contract through July 29, 2018 or until a new contract is in place (this is a no-cost amendment).
 9. Award five-year contract to Smart Energy Systems, LLC for an outage communications application to provide customers with notification of power outages (\$686,000);
 10. Award contract to SHI International Corp., for hardware, software, and maintenance support to replace the existing security information and event management system (\$142,150.27; plus three years of software support in the amount of \$136,249 for a cumulative total of \$278,399.27, plus sales tax);
 11. Award contract to Tapani, Inc., for the construction of the TPU educator waste decant facility (\$2,079,650, plus sales tax);
 12. Award contract to the Washington Department of Natural Resources for the acquisition and analysis of aerial light detection and ranging data to be developed under a cooperative purchasing agreement (\$509,251, plus applicable sales tax).

Mr. Patterson moved to amend general purchasing resolution U-10953, item number seven, to Goodyear Auto Service, by updating the cumulative aggregate total from \$508,000 to \$1,068,000 as outlined in the 'contract history' section of the supporting documents; seconded by Ms. Larkin.

Voice vote to amend the resolution was taken and carried.

Mr. Patterson moved to adopt the amended resolution; seconded by Mr. Jones.

In response to a Board request for background information on the fleet items, Don Ashmore, Fleet manager, answered that the Fleet department works in partnership with the Purchasing department to ensure contracts are aligned with state or national programs that have been bid to receive discounts. It is possible to save up to 46 percent off of the retail price. The contracts for approval before the Board are to potentially purchase vehicles in bulk, but there is much more analysis that goes into whether or not to replace a vehicle. This resolution only authorizes the funds if vehicles are needed. Fleet staff follows a baseline for vehicle life and that is used to set the budget. However, Fleet staff meets with

each internal customer to discuss specific life cycles with real data and then discuss whether or not to replace the vehicle.

In response to a Board request for background information on item number nine, Dan Drennan, Market Development Manager, stated that the this vendor would provide customers with mobile device friendly ways to view current outage information, sign up to receive proactive outage information, and provides a way to report outages online and via text. Currently, outage information to the transformer and feeder levels would be possible. As new technologies and AMI are developed, it is possible to get outage information down to specific addresses. Customers will have to opt in to this program. The timeframe for completion is the end of January 2018.

In response to a Board request for background information on item number eleven, Matt Hubbard, Engineer, described a decant facility as a facility that separates liquids from solids. TPU has buried utilities so excavated waste is generated and this helps to manage that. The vendor will be building the facility and Power and Water will own and operate the facility on Power's southwest substation land.

Chair Trudnowski offered clarification that items one and two on the resolution are city-wide contracts; however, Purchasing has reported that TPU use of these contracts averages to less than half.

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

D-2 Motion 17-11 – Confirm the appointment of William Scott Dewhirst II to serve as Tacoma Water Superintendent effective October 2, 2017.

Mr. Jones to approve the motion; seconded by Ms. Larkin.

Director Gaines summarized the nationwide recruitment and selection efforts that lead to this recommendation. Board Members made welcoming remarks to Mr. Dewhirst and thanked the internal candidates.

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

D-3 Resolution U-10954 – Authorize execution of a telecommunications franchise agreement between the City of Puyallup and Tacoma Power/Click! Network.

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

Pam Burgess, Click! Business Operations Manager, summarized the resolution. An application was made for a non-exclusive telecommunications franchise with the City of Puyallup to provide the right for Click! Network facilities to occupy rights-of-way within the city to accommodate construction of a fiber optic line connecting the Click! Network to the Centeris Regional Data Center. The franchise was granted on August 22, 2017 for a ten-year term by the City of Puyallup via Ordinance 3148. No customers within the City of Puyallup will be served, no revenue will be generated by the city, and the facility to be constructed in the right-of-way is for data transport only.

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

10092^{D-4} Resolution U-10955 – Approve an amendment to the regional energy efficiency initiative agreement with the Northwest Energy Efficiency Alliance to allow Tacoma Power's participation in the regional end use load research project.

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

Clay Norris, Power Manager, summarized the resolution. This resolution would allow Tacoma Power to amend its 2015-2019 contract with the Northwest Energy Efficiency Alliance (NEEA) by allowing Tacoma to participate in a regional end use load research project. Power utilities use load research to support integrated resource planning, load forecasting, ratemaking, and conservation program planning. The most recent end use load data available to the northwest region is 27 years old and overestimates peak demand. This study is being coordinated by the NEEA on behalf of all utilities in the region and Tacoma Power's portion of the \$12M study over five years is \$135,313.

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

D-5 Resolution U-10956 – Authorize Tacoma Power to convey an easement to C. Blakely and M. and D. Christy across the Potlatch-Cushman transmission line corridor for \$5,000.

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

Greg Muller, Real Estate Officer, summarized the resolution. This resolution will execute and convey a non-exclusive easement for access across Tacoma Power's Potlatch-Cushman Transmission Line Corridor, westerly of SR 302. The easement will allow access to and from the public right-of-way across Tacoma Power's property and also needed access across land owned by the Washington State Department of Natural Resources (DNR). DNR recently granted an easement for access and this easement is the last step to establish legal access for the property. The parties have agreed on the terms and conditions and on an in-house estimate of fair market value of \$5,000.

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

D-6 Resolution U-10957 – Declare surplus and authorize the sale of approximately 1.35 acres of Tacoma Power property to the Key Peninsula Metropolitan Park District for \$16,250.00

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

Greg Muller, Real Estate Officer, summarized the resolution. Tacoma Power owns the Potlatch-Cushman transmission line corridor, which in this vicinity consists of two 20-foot wide strips of land on either side of SR 302. Tacoma Power does not need to own the property as ownership entails additional management time and expense. Operational needs can be met through permanent easement rights alone. Due to the timing issue with Key Peninsula Parks' development of its Gateway Park property, it was requested that Tacoma first grant them a permit to install the water line since the process to execute the sale of the property would take longer. Tacoma Power has negotiated the price to Key Peninsula Parks for \$16,250; this figure takes into consideration the reservation of an easement to Tacoma Power for continued use of the transmission line corridor in the sale property.

Kip Clinton, Executive Director of Key Peninsula Parks, made positive remarks about the partnership with TPU on this transaction and encouraged attendance to the parking opening on September 30 at 11:00 am.

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

D-7 Resolution U-10958 – Authorize execution of an agreement with Tacoma Power and the City of Fife to underground aerial facilities on 34th Avenue East between Highway 99 and 12th Street East.

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

Thad Glassy, Power Supervisor, summarized the resolution which would authorize execution of an agreement between the City of Fife and Tacoma Power for the construction and cost allocation of the conversion of existing aerial facilities to underground to be completed in conjunction with a road improvement project. This project meets the criteria outlined in the existing franchise agreement.

Board Members made positive remarks about the coordination and partnership of this project. In response to a Board inquiry about the disposition of the power poles, Mr. Glassy responded that standard disposition protocol or recycling will be employed.

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

Board Member Patterson moved to suspend Rule 1.A. of the Public Utility Board Rules for Order of Business to allow the regular meetings of the Tacoma Public Utility Board to be held in the auditorium of the Tacoma Metro Parks headquarters, located at 4702 South 19th Street, Tacoma WA 98405 from Wednesday, September 27 through Wednesday, December 13, 2017; seconded by Mr. Jones.

Director Gaines provided background on this temporary relocation. On June 21, 2017, the Board authorized Resolution U-10932 for auditorium renovations. Work will begin this month and many of the finishes will be the same as the City Council Chamber renovation project last year.

H. Reports of the Director

H-1 July 2017 cash projections for Power, Water, Rail

H-2 July 2017 financials for Power, Water, Rail, Fleet

Presentation: Update from Tacoma Water on replacing lead goosenecks. Matt Hubbard, Engineer, shared that replacement of all lead goosenecks in the next five years is planned. The work will be completed in a geographically equitable manner. To date, the project is 12 percent of the 1,200 customers who may have lead goosenecks are complete. The public communication channels employed on this topic were reviewed. Tacoma water is testing at safe levels and interested customers can request a water test kit by going to www.tacomawater.com/testkit. Additional information can be found at www.tacomawater.com/lead or by emailing waterquality@cityoftacoma.org.

In response to a Board request for clarification, Mr. Hubbard stated that 1,200 customers *may* have lead goosenecks. This number will be confirmed once crews dig them up. Of the 12 percent completed, approximately 30 percent actually turned out to have lead goosenecks. Water tests have all come back below EPA levels. It is recommended that if

10094 water is turned off for a length of time, as if on vacation, or if water is shut off at the meter, to let the water run for approximately two minutes before using.

I. Comments by the Board

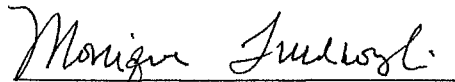
Board Member Larkin made positive remarks about Catherine's Place, an organization in Tacoma that helps struggling women and encouraged staff to keep this organization in mind when conducting outreach.

Chair Trudnowski made positive remarks about the staff presentation on low-income solar conducted at the September 12 joint study session with the City Council.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:28 p.m. until Wednesday, September 27, 2017 for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:


Monique Trudnowski, Chair


Karen Larkin, Secretary