

APPROVED 8-28-13

City of Tacoma
Public Utility Board Meeting
August 14, 2013
6:30 p.m.

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

Present: David Nelson; Mark Patterson, Woodrow Jones, Monique Trudnowski
Excused: Bryan Flint

Minutes of the Previous Meetings

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

Recognitions

There were no recognitions.

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-10644 – Award contracts and approve purchases:

1. Award contract to Condon-Johnson & Associates, Inc. for construction of the North Bay Site work and transmission line concrete drilled shafts (\$888,868, plus applicable tax).

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

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

D-2 Motion 13-09 – Authorize final settlement in the claim of Terri Coe in the amount of \$87,500.

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

Bill Fosbre, Chief Deputy City Attorney, stated this motion states that upon concurrence by the City Council, the Director of Utilities is hereby authorized to settle the matter of Terri Coe versus the City of Tacoma, Pierce County Cause Number 12-2-09484-1, in the

amount of \$87,500. This matter has been reviewed in an executive session today and the Board was also provided with a confidential memorandum. Outside legal counsel, Ben Stone, has also advised on this matter.

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

- D-3 Resolution U-10645 – Approve declaration of surplus utility specific equipment no longer needed for Tacoma Power’s current or future needs and authorize the sale of equipment to the highest responsive bidder.

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

Russ Post, Environmental Compliance Manager, stated there are two lots of surplus equipment for consideration. The first is a substation transformer from the Wapato Substation that’s been exchanged to improve reliability. The second consists of one large substation transformer and twenty-nine circuit breakers that have served their use and are no longer reliable and cannot be repaired. It is requested that the Board declare this equipment as surplus to the utility’s needs and conduct a public hearing. Also, to authorize the sale to the highest responsive bidder. In response to a Board inquiry, Mr. Post stated that based on past history, it is extremely likely these items will sell for positive value.

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

- D-4 Resolution U-10646 – Authorize execution of a utility reimbursement contract between Tacoma Power and Port of Tacoma.

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

Joe Rempe, Principal Engineer, stated this resolution requests approval to execute a procurement and construction contract between Tacoma Power and the Port of Tacoma with an estimated value of \$570,000 of which all will be reimbursed by the Port of Tacoma. On June 12, 2013, the Port of Tacoma Commission authorized the reconstruction of Pier 3 with construction and procurement contracts valued at \$20.7M of which Tacoma Power’s procurement and construction activities were included. The Port of Tacoma requires relocation of the 13,800 volt electrical service for terminal three as part of the reconstruction. The Port of Tacoma will install new conduit and vault systems per Tacoma Power’s standards and Tacoma Power will pull cables and install equipment to serve the new point of delivery and remove existing cable and equipment once the current point of delivery has been decommissioned by the Port of Tacoma. In response to a Board inquiry, Mr. Rempe stated that this resolution is separate from the memorandum of understanding between Tacoma Power and the Port of Tacoma, which is an administrative agreement which covers the terms and conditions of any contract. This resolution is a contract related to that.

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

- D-5 Resolution U-10647 – Approve amendment to Tacoma Municipal Code section 2.04.350 to update electrical work licensing requirements.

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

James Hellman, Chief Electrical Inspector, stated Tacoma Power requests approval to an amendment to the City's electrical code section 2.04.350 related to contractor license requirements and exemptions. The amendments are housekeeping in nature and do not involve any substantive change to Tacoma Power's existing electrical license requirements or exemptions. The amendments clarify language used to describe license exemptions available to customers and clarification of exemption to avoid possible conflict with state law. The amendments will provide customers with the requirements they must meet in order to obtain an electrical permit and perform electrical work within Tacoma Power jurisdiction. Feedback was solicited from stakeholders, including the Master Builder's Association, National Electrical Contractor's Association, and key accounts; no opposition to the proposed changed was received.

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

D-6 Resolution U-10648 – Authorize conveyance of an easement to Puget Sound Energy for approximately three acres of Tacoma Water property located within the Green River Watershed.

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

Gloria Fletcher, Sr. Real Estate Officer, stated this resolution seeks approval to authorize the conveyance of a non-exclusive easement within the Green River Watershed to Puget Sound Energy (PSE) for the purpose of replacing damaged distribution and ongoing maintenance. PSE is requesting this easement so that they can continue to provide electrical services to nearby facilities owned by Tacoma Water and Burlington Northern Santa Fe railway. These new lines will be located primarily underground in an area that is unlikely to be damaged by the river and most of which is already encumbered by an existing PSE easement. The location is approximately fifteen miles east of the Headworks operations. PSE will pay \$4,118 for this easement, which is the fair market value established by a third party appraiser. The easements rights are subordinate to Tacoma Water's right to operate its water utility system and additionally it provides for PSE to perform all of its construction activities in accordance with requirements established by Tacoma Water. Tacoma Water has reviewed this transaction and determined that it will not adversely impact present or conceivable Tacoma Water operations.

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

H. Reports of the Director

Director Gaines called on Jim Sant, Deputy Director of Administration, to provide a report on the second quarter 2013 budget performance reports for Power, Water, and Rail. Mr. Sant presented the key budget information, covering revenues and expenditures, for each of the operating divisions.

Director Gaines reported that former Water Superintendent and Utilities Director, Aldo Benedetti, passed away on August 11. Director Gaines stated that Mr. Benedetti contributed greatly to the electric industry in this region during his tenure at TPU and after.

I. Comments by Members of the Board

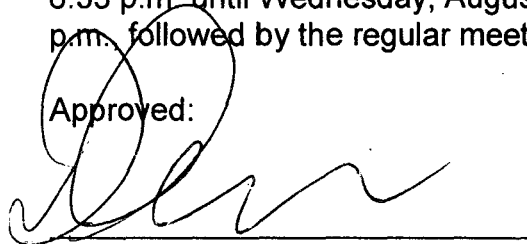
Ms. Trudnowski expressed her appreciation to staff for the tour of the North Fork Powerhouse and Fish Collection Facility during the dedication ceremony on August 7. Mr. Patterson also made positive remarks about the experience. Mr. Nelson thanked Messrs. McCarty, Fischer, Belvin, Koehn, and Chris Gleason for their hard work and for a successful event.

Mr. Jones commented on Mr. Benedetti's passing and expressed his appreciation for Mr. Benedetti's vision and his gratitude for the opportunity work with him.

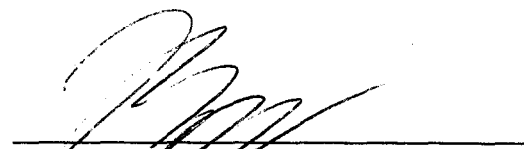
J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 6:53 p.m. until Wednesday, August 28, 2013, for a study session beginning at 3:00 p.m. followed by the regular meeting at 6:30 p.m.

Approved:



David S. Nelson, Chair



Bryan Flint, Secretary