

APPROVED 8-23-17

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 August 9, 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. Mark Patterson, Monique Trudnowski, Bryan Flint, Karen Larkin

The meeting was quorate.

Minutes of the Previous Meetings

Ms. Larkin moved that the minutes of the previous meetings be adopted; seconded by Mr. Jones. 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

Public comment was taken from Donna Walters who encouraged the Board to forego a nationwide search for the Director of Utilities' successor if there is a favored internal candidate and expressed concern about water supply.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-10944 – Award contracts and approve purchases:
1. Increase and extend contract to Power System Consultants, Inc., for additional supplemental support personnel for the current Energy Management System (\$167,600, plus applicable sales tax; cumulative total \$350,000, plus applicable sales tax);
 2. Award two-year contract to Leotek Electronics USA, LLC for LED streetlight fixtures and shields (\$2,228,940 two-year contract term, plus the option for one additional one-year renewal, plus sales tax).

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

In response to a Board request for clarification on item number one, Nick Tomanelli, Power Engineer, answered that the initial contract was for a six month time period and it has been determined that five additional months of backfill staffing is needed. After that point in time,

there will be a freeze on any changes in order to move forward with the new system. Mr. Tomanelli further clarified that these backfill positions are positions that were vacated in order to move the most skilled staff members to the new Energy Management System replacement project.

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In response to a Board request for clarification on awarding a partial contract on item number two and the effect on the timing of the project, Peter Meyer, Commercial and Industrial Conservation Manager, answered that there would be no negative impact on the timing. The reason to re-bid is because eight out of the ten bids received were considered to be non-responsive so it is in the best interest to add clarity to the specifications to help bidders be responsive in the future.

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

D-2 Resolution U-10945 – Authorize Tacoma Power to accept the franchise agreement extension granted by the City of Lakewood.

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

John Merrell, Assistant Power Section Manager, summarized the resolution. The City of Lakewood has granted Tacoma Power a 20-year franchise extension to allow continued operation within its jurisdiction. The agreement includes desirable project coordination terms and does not include permit, franchise, or processing fees. The franchise administrative fee will be adjusted with this extension to match the gross earnings tax rate Tacoma Power pays to the City of Tacoma. The franchise extension will also lengthen the notification time for relocation of major utility infrastructure and remove a 2003 amendment allowing Click! to extend into the Flett Creek area. This amendment is no longer needed as it is now included in the 2004 Click! franchise agreement with the City of Lakewood. The Lakewood City Council approved this agreement at its meeting of July 17, 2017.

In response to a Board inquiry, Mr. Merrell stated that this resolution has no impact on Click! as Click! has a separate franchise agreement with the City of Lakewood. In response to a Board request for clarification on the fiscal impact statement, Mr. Merrell detailed the gross earning tax amount increase and its 2026 expiration date and its impact on the fiscal note. In response to a Board inquiry, Mr. Merrell further clarified that the format of the agreement follows the format used in the 1997 original agreement.

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

D-3 Resolution U-10946 – Authorize Tacoma Power to accept the franchise agreement extension granted by the City of University Place.

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

John Merrell, Assistant Power Section Manager, summarized the resolution. The City of University Place has granted to Tacoma Power a 20-year franchise extension to allow continued operation within its jurisdiction. The agreement includes desirable project coordination terms and does not include permit, franchise, or processing fees. The franchise administration fee is unchanged with this extension. The agreement was passed by the University Place City Council at its meeting of July 17, 2017.

In response to a Board inquiry as to why the timeline for notice of construction was left the same for University Place and not Lakewood, Mr. Merrell explained that with Lakewood, other aspects of the agreement were opened so other improvements were sought.

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University Place, the intent was to keep the terms exactly the same and 90 days' notice for construction activity is acceptable to Tacoma Power. In response to a Board inquiry, Mr. Merrell stated that this resolution has no impact on Click! as Click! has a separate franchise agreement with the City of University Place.

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

D-4 Resolution U-10947 – Authorize Tacoma Water to accept the franchise agreement extension granted by the City of University Place.

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

Heather Pennington, Deputy Water Superintendent, summarized the resolution. The City of University Place has granted to Tacoma Water a 20-year franchise extension to allow continued operation within its jurisdiction. The agreement includes desirable project coordination terms and does not include permit, franchise, or processing fees. The franchise administrative fee is unchanged with this extension. The agreement was passed by the University Place City Council at its meeting of July 17, 2017.

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

D-5 Resolution U-10948 – Authorize the sale of approximately 0.30 acres of Tacoma Water property to J. and M. Norton for \$160,000.

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

Greg Muller, Real Estate Officer, summarized the resolution. This resolution would authorize the sale of approximately 13,000 square feet of Tacoma Water property located at the southwest corner of 51 Street NE and Caledonia Rd NE. An easement for Tacoma Water will be retained in the north ten feet of the property. This former well site was part of Tacoma Water's 2001 acquisition of the Hyada Mutual Service Company. The well was decommissioned soon after purchase and the site has remained vacant since that time. The property is zoned single family residential. As the property is not essential to Tacoma Water's needs, it was declared surplus in 2002. In July 2008 the property was offered for sale via the sealed bid process, but the Board declined to sell due to market conditions. Another sealed bid process was conducted in March 2015 and no bids were received. The property has been continuously listed as surplus and listed by a broker in January 2017 for the list price, which is based on a third-party appraisal. In response to a Board inquiry, Mr. Muller clarified that the well on the site was abandoned in place and decommissioned in 2002.

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

H. Reports of the Director

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

H-2 June 2017 quarterly financial statements for Power, Water, Rail, Fleet

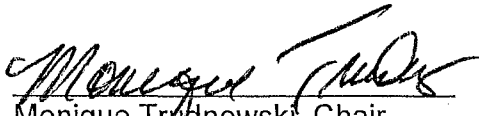
I. Comments by the Board

Mr. Flint stated that the Board has started a conversation on finding a successor for the Director of Utilities.

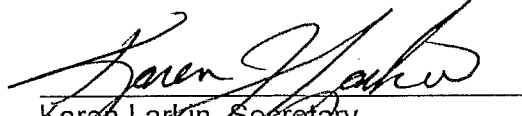
J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 6:58 p.m. until Wednesday, August 23, 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