



APPROVED 1-29-14

City of Tacoma
Public Utility Board Meeting
December 18, 2013
6:30 p.m.

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

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

Minutes of the Previous Meetings

Mr. Flint 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

A ratepayer, Mrs. Mateo, voiced her concern regarding a bill in arrears left by a former tenant. Steve Hatcher, Customer Services Manager, spoke with Mr. Mateo about the issue.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-10668 – Award contracts and approve purchases:
1. Award three-year contract to WESCO Distribution, Inc., for the purchase of 15kV URD cable terminations and accessories on an as needed basis (\$346,113.25, plus option for two additional one-year renewal periods. Cumulative total \$587,342.65, plus sales tax);
 2. Increase and extend contract to Pacific States Marine Fisheries Commission by four years for seasonal fisheries field labor (\$1,000,000, sales tax not applicable. Cumulative total \$1,700,000, sales tax not applicable);
 3. Award contract to Arris Solutions, Inc., for three years of technical support and software upgrades for Click!'s video delivery system (\$400,000, plus sales tax);
 4. Award four-year contracts with URS Energy & Construction, Inc., and Tetra Tech, Inc., for engineering consultant services related to the seismic

- remediation of the Mossyrock Dam spillway structure (\$600,000 and \$175,000 respectively. Combined total \$775,000, sales tax not applicable);
5. Award contract to Skanska USA Civil Northwest for the installation of the floating surface collector and net transition structure and construction of associated support structures for the Cushman Hydroelectric Project (\$8,820,000, plus applicable sales tax);
 6. Award contract to Praxair, Inc., for liquid oxygen supply and technical service (\$64,260, plus option for four additional one-year renewal periods. Cumulative total \$321,300, plus sales tax);
 7. Award three-year contract to Harbor Rail Services Company for daily services of freight car inspections, repairs, and air test procedures (\$900,000 sales tax not applicable with the option of two additional one-year renewal periods. Aggregate total \$1,525,000 sales tax not applicable).

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

In response to a Board inquiry regarding item number two, Mark LaRiviere, Senior Fisheries Biologist, stated the Pacific States Marine Fisheries Commission (PSMFC) is an interstate agency that provides a unique service for fisheries agencies in the northwest. PSMFC has a qualified pool of applicants for our research studies and downstream fish collection activities at the dams. This requires skilled work and experience. PSMFC has a fantastic track record of providing the type of employees needed at very competitive rates.

In response to a Board inquiry regarding item number seven, Alan Matheson, Chief Mechanical Officer, stated Harbor Rail Services is based in Pasadena; however, they are setting up an office and reporting facility in Tacoma. Making this an in-house service was considered, however, there is no staff with this specific skillset. It would also be a considerable inventory investment if this was an in-house service. Sub-contracting to a company that does this work routinely was found to be most prudent.

In response to a Board request, Ryan McLaughlin, Professional Engineer, provided history and background on the installation of the floating surface collector at the Cushman Hydroelectric Project.

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

- D-2 Motion 13-15 – Pursuant to the Public Utility Board, Rules for Order of Business, authorize cancellation of the regularly-scheduled January 8, 2014 and January 22, 2014 Board meetings; and reschedule to January 15, 2014 and January 29, 2014 respectively.

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

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

- D-3 Resolution U-10669 – Authorize execution of a Collective Bargaining Agreement between the City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Custodial and Building Maintenance Unit.

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

Mike Brock, Labor Negotiator, stated this resolution recommends adoption of the proposed 2013-2015 collective bargaining agreement between the City and IBEW 483 Custodians and Maintenance Workers bargaining unit. The agreement covers 29 full time equivalent positions, 23 at TPU. The agreement calls for an increase in wages effective January 1, 2013 of two percent; January 1, 2014, 2.5 percent; and wages for January 1, 2015 will be fixed equal to 100 percent of the CPI. There is also a standard provision to include comp time being paid out in the year it was accumulated. It increases the meal allowance and the members receive a \$200 per year clothing allowance in lieu of city-provided uniforms.

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

D-4 Motion 13-16 – Authorize adjustment to the Contract Demand and Contract Energy amounts for Praxair, Inc.

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

Rick Applegate, Utilities Economist, stated this resolution requests approval to amend the power services agreement between Tacoma Power and Praxair, Inc. Praxair would like to conduct two tests of its cryogenic air products facility. The tests would entail operating the facility at maximum output for 24 hours. These tests can be accommodated without detriment to Tacoma Power operations; however, the test would cause Praxair to use more power and energy than is currently provided for in its power service agreement. As a result, it would incur significant contract energy and demand overrun charges. Tacoma Power would like to modify the agreement to allow for these tests to occur without risk of penalties.

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

D-5 Resolution U-10670 – Authorize updates to Tacoma Power Customer Service policies.

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

John Martinson, New Energy Services Supervisor, stated the electrical service group developed the Tacoma Power Customer Service policy updates in collaboration with other Tacoma Power stakeholders and the legal department. Community outreach included the review by the Master Building Association and the southwest chapter of the National Electrical Contract Association. The updated documents were distributed to the Account Executives, who shared them with Tacoma Power's key accounts. No response or feedback was received in response to this outreach. The policy changes were reviewed by the Board at a study session in November. Proposed changes to the policy were detailed by Mr. Martinson.

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

D-6 Resolution U-10671 – Authorize adoption of Tacoma Power's 2013 Integrated Resource Plan.

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

Travis Metcalfe, Senior Power Analyst, stated this resolution requests adoption of Tacoma Power's 2013 Integrated Resource Plan (IRP). Tacoma Power has used the IRP process for over 20 years to ensure a stable, sufficient supply of electricity resources to meet projected long-term customer demands. This IRP concluded that the combination of existing generation supplies and the addition of new conservation is sufficient to meet projected, long-term customer demands for the next 10 years. Additionally, three public meetings to receive and discuss inputs were held. The Board received a briefing on this IRP in October. This IRP complies with the Washington State mandate.

In response to a Board inquiry, Mr. Metcalfe detailed the conservation targets for the upcoming biennium. The target is 4.05 aMW per year; total of 8.1 aMW for the biennium. The conservation targets were set for a 10-year period and the target is adopted every two years. Board Members made positive remarks about the preparation of this IRP and the setting of the conservation targets.

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

H. Reports of the Director

- H-1 October cash projections for Tacoma Power, Water, and Rail
- H-2 October financials for Power, Water, Rail, Fleet, and Self-Insurance Fund

Mr. Gaines thanked staff for their hard work during 2013.

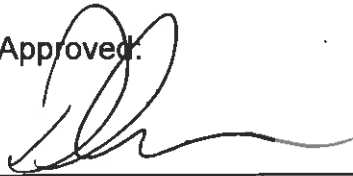
I. Comments by Members of the Board

Board Members thanked staff for their dedication the past year.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 6:53 p.m. until Wednesday, January 15, 2014, 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