

APPROVED 6-8-16

**MINUTES**  
 City of Tacoma  
 Public Utility Board Meeting  
 May 25, 2016  
 6:30 p.m.

Mr. Flint 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, Monique Trudnowski, Karen Larkin

The meeting was quorate.

**Minutes of the Previous Meetings**

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

**Recognitions**

Pat McCarty, Generation Manager, stated that Tacoma Power, for the fifth straight year, has been awarded with the Outstanding Stewards of America's Waters award from the National Hydro Association. The award is to honor Tacoma Power for the floating fish collector at Cushman Dam. Ryan McLaughlin, Project Manager, presented the Board with the award and staff who contributed to the project was introduced.

**Comments from the Public**

There were no comments from the public.

**Consent Agenda**

There were no items on the consent agenda.

**Regular Agenda**

- D-1 Resolution U-10858 – Award contracts and approve purchases:
1. Award contract to Versalift Northwest, LLC for the purchase of two articulating aerial devices with line body and accessories (\$338,520, plus sales tax);
  2. Increase and extend contract with CGI Technology and Solutions, Inc., for an additional five years of software support and maintenance of the outage management system (\$500,000, plus applicable sales tax. Cumulative total \$960,000, plus applicable sales tax).

In response to a Board request for additional information regarding the use of contracted tree trimming crews versus in-house resources, Chris Robinson, Power Superintendent, responded that T&D has dedicated tree crews and utilizes contractors to manage volume. The general philosophy is to use contractors to complement crews when needed.

In response to a Board inquiry regarding item number one, Don Ashmore, Fleet Manager, explained that this contract is for the lift equipment only and the trucks are purchased separately off a state contract.

In response to a Board inquiry regarding item number two, Nick Tomanelli, Power Supervisor, clarified that the contract amendment is for an additional five years of maintenance. In addition, Mr. Tomanelli explained that the technology is proprietary to CGI Technology and Solutions, Inc.

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

D-2 Resolution U-10859 – Authorize Tacoma Power to execute a fifth funding agreement for continued participation in, and development and funding of, ColumbiaGrid through 2020.

Mr. Patterson moved to adopt the resolution; seconded by Mrs. Trudnowski.

Shirley Eshbach, Sr. Power Analyst, summarized the resolution. In May 2006, Tacoma Power joined ColumbiaGrid, a newly incorporated regional transmission organization, whose goal is to improve the efficiency and reliability of the northwest power transmission grid. ColumbiaGrid offers services through specific functional agreements, based upon four purposes: improve the reliability and efficiency of the northwest transmission system; provide for cost-effective planning and system expansion; develop solutions related to the efficient use of the system; and support effective monitoring of wholesale transmission market within the northwest system. ColumbiaGrid and the members have negotiated the fifth funding agreement that will run from January 1, 2017 through December 31, 2020. It will replace the current funding agreement when it expires December 31, 2016 and will assure funding of the corporate administrative costs of ColumbiaGrid not funded under the ColumbiaGrid functional agreements. Tacoma Power's maximum funding obligation is expected to be approximately \$432,000. The agreement with ColumbiaGrid holds the potential to provide significant regional benefits to Tacoma Power's customers by enabling the more efficient, reliable operation and expansion of the northwest power transmission grid.

In response to a Board request for information regarding conflicting numbers in the resolution and back-up exhibits, Ms. Eshbach explained that when the resolution was written, the annual amount was based on the allocation percentage of the funding obligation allocated to Tacoma based on the 2015 allocation percentage, which is higher than the 2016 allocation percentage. The 2016 allocation was recalculated in early May so the lower percentage is what shows in the exhibit. However, the amount on the resolution is correct so the resolution will not have to be amended, the back-up materials will be corrected.

In response to a Board inquiry requesting information on the role of the functional agreements, Ms. Eshbach stated that the agreements provide a regional transmission planning forum, assesses new transmission facilities and coordinates transmission issues. ColumbiaGrid's essential function is established with the goal to improve operational efficiency, reliability, and expansion of the northwest transmission grid. ColumbiaGrid has a staff of transmission planning engineers who work collaboratively with partner organizations and prepares a 20-year expansion plan that is published.

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

#### **H. Reports of the Director**

##### **H-1 Budget Performance Reports for Q4 2015 and Q1 2016**

Director Gaines called on Jim Sant, Deputy Director for Administration, to provide a report on the fourth quarter 2015 and first quarter 2016 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.

In response to a Board inquiry regarding the wholesale power market, Chris Robinson, Power Superintendent, stated that surplus generation (whether it is from precipitation or conservation) can be sold into the open market. Tacoma Power adjusts the load immediately within the hour; extra generation is stored in the reservoir or sold into the hourly market. The snowpack is fine and Tacoma Power will be at or near refill in reservoirs.

#### **I. Comments by the Board**

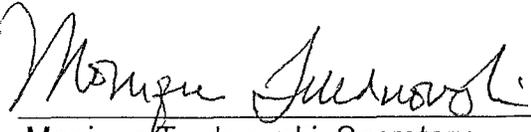
In response to a Board request, Linda McCrea, Water Superintendent, provided an update on the water quality/lead topic. Additional, testing of water samples, both inside homes with potential lead goosenecks and at the service lines, have come back with results under allowable EPA action level for lead. When there is work done on service lines, it can cause particulate lead to be released and that is what triggered the initial high results. Tacoma Water will flush lines when work is done and is asking customers to flush lines when they turn off their service at the meter. Tacoma Water is offering water sampling to customers first who were on the targeted list and those customers have received communication. This sampling should start in early July and will then be offered more broadly if there is greater interest. Over the next five years, Tacoma Water will replace all old lines in an aggressive renewal and replacement program that will be coordinated with all other right-of-way construction work in the city.

#### **J. Adjournment**

There being no further business or comments, the Public Utility Board was adjourned at 7:12 p.m. until Wednesday, June 8, 2016, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:

  
Bryan Flint, Chair

  
Monique Trudnowski, Secretary