

APPROVED 7-23-14

City of Tacoma  
Public Utility Board Meeting  
July 9, 2014  
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, Woodrow Jones, Bryan Flint, Monique Trudnowski

**Excused:** 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 Mr. Flint. 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**

Micah Anderson inquired about service eligibility in TPU service areas and was informed that service is provided according to city and state law and regulations.

**Consent Agenda**

There were no items on the consent agenda.

**Regular Agenda**

D-1 Resolution U-10700 – Award contracts and approve purchases:

1. Increase contract to Kone, Inc., for continued maintenance and repair of elevators at Tacoma Power's hydroelectric plants and facilities (\$24,660, plus sales tax; cumulative total \$220,000, plus sales tax);
2. Award contract to Applied Energy Group to determine the cost-effective energy conservation potential (220,180, plus sales tax);
3. Award two-year contract to UtilX Corporation for cable injection and testing services (\$500,000).

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

Rich Arneson, Conservation Power Analyst, provided clarification on item number two as requested by the Board.

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

D-2 Motion 14-10 – In accordance with Rule 2, Election of Officers, of the Public Utility Board Rules for Order of Business, that Woodrow Jones, Bryan Flint, and Mark Patterson be nominated as elected Chair, Vice-Chair, and Secretary respectively.

Mr. Flint moved to approve the motion; seconded by Mrs. Trudnowski.

Board Members expressed their appreciation to Mr. Nelson for his service as Board Chair during the past year and welcomed Mr. Jones as Board Chair.

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

D-3 Resolution U-10701 – Authorize the Director of Utilities and Operating Division Superintendents with the authority to acknowledge and accept municipal advisor disclosures.

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

Bill Fosbre, Chief Deputy City Attorney, summarized the resolution. The Securities and Exchange Commission (SEC) has implemented a new rule affecting municipal advisors. In order to ensure compliance with the rule, it is recommended that TPU prepare and submit this resolution delegating authority to the Director and Superintendents to acknowledge the municipal advisor disclosure agreements and that the Superintendents execute an independent registered municipal advisory disclosure certificate to make publicly available on the TPU website.

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

D-4 Resolution U-10702 – Authorize execution of a Letter of Agreement between the City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Supervisors' Unit.

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

Tara Schaak, Labor Negotiator, summarized the resolution which covers three budgeted, full-time positions located within Click! Network. Ms. Schaak detailed the significant provisions of the agreement.

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

D-5 Resolution U-10703 – Authorize execution of a Letter of Agreement between the City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Click! Unit.

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

Tara Schaak, Labor Negotiator, summarized the resolution which covers 14 budgeted positions within TPU. Ms. Schaak detailed the significant provisions of the agreement.

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

D-6 Resolution U-10704 – Authorize execution of a proposed 2013 – 2016 Collective Bargaining Agreement and Letter of Agreement between the City of Tacoma and the Washington State Council of County and City Employees, Local 120.

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

Tara Schaak, Labor Negotiator, summarized the resolution which covers 152 budgeted employees located within General Government and TPU. Ms. Schaak detailed the significant provisions of the agreement.

Voice vote was taken and carried. The resolution was declared adopted three to one with Ms. Trudnowski casting a no vote.

D-7 Resolution U-10705 – Authorize Tacoma Power to increase the funding authorization for a consulting services agreement with VanderHouwen and Associates, Inc. for implementation of the Bonneville Power Administration slice contract solution and modernization of the energy trading and risk management applications.

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

Todd Lloyd, Assistant Power Section Manager, summarized the resolution which extends services to provide planning, designing, development, testing, and implementation of the BPA slice contract solution and modernization of critical applications for the energy trading and risk management functions. Mr. Lloyd provided clarification upon Board request.

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

D-8 Resolution U-10706 – Authorize Tacoma Rail to enter into an inter-local agreement with the Port of Tacoma for the replacement of one switcher locomotive.

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

Alan Matheson, Chief Mechanical Officer, summarized the resolution. The purpose of this inter-local agreement is to establish criteria for Tacoma Rail to identify and procure an EPA certified tier three or better diesel electric locomotive as a replacement for a currently uncertified EPA locomotive and to establish procedures for the Port of Tacoma to reimburse Tacoma Rail for eligible project costs consistent with the terms of the EPA grant agreement associated with this project. Mr. Matheson provided clarification upon Board request.

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

D-9 Resolution U-10707 – Authorize Tacoma Rail to enter into a grant agreement with the Washington State Department of Ecology for the replacement of one switcher locomotive.

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

Alan Matheson, Chief Mechanical Officer, summarized the resolution. Tacoma Rail was awarded a clean diesel grant by the Washington State Department of Ecology as supplementary funding toward the replacement of one uncertified locomotive with a certified EPA tier three locomotive equipped with automatic engine start/stop functionality to eliminate unnecessary engine idle and reduce diesel emissions.

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

D-10 Resolution U-10708 – Authorize Tacoma Rail to enter into a lease agreement with Progress Rail Leasing Corporation for two electro-motive diesel locomotives with an option to purchase.

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

Alan Matheson, Chief Mechanical Officer, summarized the resolution. The lease agreement, including an option to purchase, with Progress Rail for two electro-motive diesel locomotives is for a five-year term. The addition of these two higher-horsepower locomotives with modern tractive control features will enhance Tacoma Rail's ability to efficiently meet their freight rail service obligations within the various operating divisions. Mr. Matheson provided clarification upon Board request.

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

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

There were no reports of the Director.

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

Board Member Trudnowski cautioned the public to be mindful and alert to scammers posing as TPU employees seeking payment over the phone. TPU doesn't initiate calls for personal financial information; additional information is on the TPU website at [www.mytpu.org/scams](http://www.mytpu.org/scams).

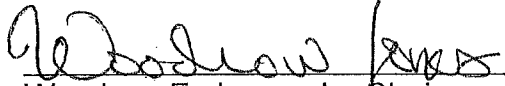
At the request of the Board, Rail Superintendent, Dale King, detailed the safety procedures, equipment, and training that surround the transport of oil trains.

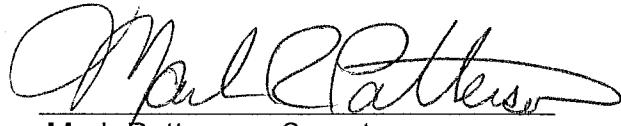
Superintendent King announced that the Tacoma Rail open house and centennial celebration is scheduled for August 23.

**J. Adjournment**

There being no further business or comments, the Public Utility Board was adjourned at 7:29 p.m. until Wednesday, July 23, 2014, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:

  
Woodrow E. Jones, Jr., Chair

  
Mark Patterson, Secretary