

APPROVED 4-11-18

MINUTES
 City of Tacoma
 Public Utility Board Study Session
 March 28, 2018
 3:00 p.m.

Chair Trudnowski called the Public Utility Board study session to order at 3:05 p.m. at the Public Utilities Administration Building.

Present: Monique Trudnowski; Woodrow E. Jones, Jr., Mark Patterson, Karen Larkin, Bryan Flint

Tacoma Power: Update on Cushman and Adams Substations

Clark Mather, Community and Government Relations Manager, outlined the collaborative efforts of the joint staff task force consisting of both General Government and TPU employees who worked together to create the draft Memorandum of Understanding (MOU) regarding the Cushman and Adams Substations. As background, the Adams Substation was declared surplus to utility operations in 2009. The Cushman Substation is still connected to the electrical system and is used for large equipment storage. The Cushman substation and transmission line was added to the National Register of Historic Places in 2016. In 2017, Tacoma Power signed the Henderson Bay MOU to refurbish the main door on the south side of the Cushman Substation; refurbish the historic outdoor light fixtures outside the Cushman Substation; and pursue a national register listing for the Adams Substation. The North 21st Street transmission line replacement project is scheduled to be completed in 2018 and would disconnect the Cushman substation from the electrical system. Mr. Mather then summarized City Council Resolution 39741 and the MOU. On June 6, 2017, the Council unanimously adopted Substitute Resolution 39741 which added the exteriors of Cushman and Adams Substations and site on the surrounding parcels to the Tacoma register of historical places. It also directed the City Manager to work with TPU to address the current condition of the Adams Substation, maintain the interior and exterior of both properties to standard that is attractive and amenable to future development, and to evaluate the degree to which environmental cleanup of the properties will be required. The MOU sets a schedule that; promotes the expedited relocation of the power operations; establishes a process for a prompt internal transfer of properties from TPU to GG; and establishment of fair market value for the properties; establishes and funds the cost for required environmental cleanup; allocating the risk and responsibility for any environmental liability which may be included as a factor in the internal transfer sales price; setting out a process by which the City will conduct an RFP including community input for future redevelopment of the properties; and prior to issuing an RFP, work with stakeholders to identify community goals for redevelopment of the properties. Discussion then ensued about the robust outreach desired by the Board and Council, appraisal, environmental cleanup, and

communication planning. Mr. Mather stated he will incorporate the Board's feedback into future planning and action plans and will circle back to policymakers as required.

Legislative Session Report

Clark Mather, Community and Government Relations Manager, and Marian Dacca, State Relations Manager, presented the outcomes of the 2018 legislative session. Diana Carlen, contract lobbyist from the law firm of Gordon Thomas Honeywell was introduced. The Washington state legislature convened on January 9, 2018 for 60 consecutive days, adjourning on March 8, 2018; 1,410 bills were introduced with 308 passing.

Ms. Dacca summarized the main bills affecting each of the operating divisions.

Water: SB 6091 – Ensuring that water is available to support development and addressing the Hirst and Foster Supreme Court decisions, passed legislature on January 18.

Rail: HB 1669 – Minimum railroad crew size; HB 2944 – Railroad worker safety. No legislation impacting Tacoma Rail was enacted.

Power: SB 5935 – Small cell technology and broadband development was not enacted; HB 2282 – Net Neutrality was enacted; SB 6187/HB 2897 – electrification of transportation was not enacted. SB 6203 – carbon reduction legislation was not enacted. SB 6253/HB2283/HB2402/HB2995 – clean electricity energy bills were not enacted.

Looking ahead, Tacoma Power is currently reviewing language for the carbon ballot initiative and Power is preparing a Board presentation and analysis on the clean energy bill. The Washington primary election is scheduled for August 7 and general election for November 6. In anticipation for the 2019 legislative session, a legislative priorities study session is scheduled for the fourth quarter of 2018 and the 2019 legislative session is scheduled to begin on January 14, 2019 and is expected to last for 105 calendar days.

Board discussion ensued. Even though net neutrality was enacted, the Board requested that staff research if a Board resolution is necessary.

Miscellaneous

Toby Brewer, Dam Safety Manager, informed the Board of a land slide at the Nisqually hydroelectric project. Potential impacts of the slide include the safety of employees and public near the site; loss of redundant communication to the dams; loss of transmission tower; damming of the river and release during spill events; and debris carried downstream to the powerhouse. Geologists and geotechnical engineers recommend continued monitoring of the site. Alternate communication and transmission paths are being planned. The slide is natural and will continue to provide gravel augmentation to the river system benefitting the fish.

Executive Session

Mr. Flint moved to convene an executive session at 4:35 until 5:45 for the purpose of discussing pending and potential litigation per RCW 42.30.110(1)(i); seconded by Mr. Patterson. Voice vote was taken and carried. Tom Morrill, Chief Deputy City Attorney, was present. The executive session adjourned at 5:45 p.m.

When the Board went into executive session the Chair stated that it would reconvene after the executive session for a brief discussion on two contracts. After the executive session the Board reconvened to discuss the potential extension of the interim-Director's appointment and the

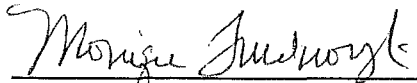
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potential cancellation of the contract with the recruitment consultant, Mycoff, Fry and Prouse LLC. The Board agreed to bring forward a resolution to extend the interim-Director's appointment and agreed to cancel the contract with the recruitment consultant and agreed that \$14,000 was a reasonable amount for a final payment to cancel the contract.

Adjournment

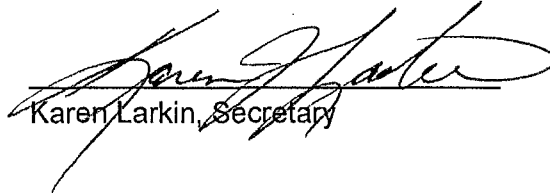
The study session was adjourned at 6:00 p.m. until the next regularly scheduled study session on Wednesday, April 11, 2018 at 3:00 p.m.

Approved:



Monique Trudnowski, Chair

Approved:



Karen Larkin, Secretary