

APPROVED 9-14-16

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 August 24, 2016
 6:30 p.m.

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

Present: Mark Patterson, Bryan Flint, Monique Trudnowski
Excused: Woodrow Jones, Karen Larkin

The meeting was quorate.

Minutes of the Previous Meetings

Ms. Trudnowski 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

Ms. Marlene Crumpton inquired of the best methods by which to receive Board public meeting information. The information was relayed verbally by the Board and the Clerk provided Ms. Crumpton with the appropriate contact information if there are further questions.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

Departmental

- D-1 Resolution U-10870 – Award contracts and approve purchases:
1. Increase contract to Tetra Tech, Inc., for the performance of the Part 12D, independent consultant safety inspection, and reports of the Wynoochee, Nisqually, and Cowlitz Hydroelectric Projects (\$201,800, sales tax not applicable. Cumulative total \$396,122, sales tax not applicable);
 2. Award contract to Rognlin's Inc., for the construction of the Potlatch Switching Station (\$1,149,361, plus sales tax);
 3. Award contract to Day Wireless Systems for the construction of the new Pearl Street Substation communications tower (\$327,962.55, plus sales tax);

4. Award three-year contract to Anixter, Inc., for the purchase of 15kV fused disconnect switches on an as-needed basis (\$392,698, plus sales tax and the option for two additional one-year renewal periods);
5. Award contract to Miles Resources, LLC, for the construction of ductile iron water mains and street paving in North Highland Street from North 21st Street to North 30th Street (\$495,150.29, plus sales tax).

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Flint.

In response to a Board inquiry on item number two, Joe Wilson, Power Assistant Section Manager answered that the Potlatch Switching Station is part of the Cushman project proximate to Cushman 1 and 2.

In response to a Board request to describe the project for item number three, Ryan McLaughlin, Sr. Principal Engineer, stated that the existing tower is supported by a guy wire to provide additional support from wind and seismicity. The new tower is free standing without guy wires so it is more reliable and less prone to vandalism. The new tower will be built parallel to the existing tower and then the old tower will be decommissioned. The current structure is inside the fence, but the guy wires extend beyond the fence lines. The new tower will be comparable in size and orientation to what currently exists.

In response to a Board request for information on item number five, Ryan Flynn, Principal Engineer, stated that the project is part of Tacoma Water's asset management program. The mains were identified in the last biennium. The existing mains are cast iron and installed in 1952 and are susceptible to failures and there have been breaks. This is a good opportunity to participate with the Public Works Department to replace mains in a planned and scheduled manner instead of being reactive. As part of the plan development, Tacoma Water shares plans with Public Works and Environmental Services to look for opportunities to work together to consolidate projects to minimize impacts to streets and neighborhoods.

Board Members expressed appreciation for the cooperation and collaboration with the General Government utilities in an effort to minimize inconvenience to the citizens.

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

- D-2 Resolution U-10871 - Approve Declaration of Surplus Utility Specific Equipment no longer needed for Tacoma Power's current or future needs and authorize the sale of surplus specific equipment to the highest responsive bidder.

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Flint.

Dale Loveland, Power Supervisor, summarized the resolution which declares 414 distribution transformers/overhead equipment surplus to the utility's needs. The utility has determined that the equipment is surplus and no longer necessary for continued normal operations due to age, reliability, or damage. In accordance with RCW 35.94.040, public comment was sought. There were no public comments.

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

D-3 Resolution U-10872 – Authorize acceptance of a Cable TV Franchise Agreement between the City of Fircrest and Click! Network.

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Flint.

Pam Burgess, Click! Business Manager, summarized the resolution which would authorize the Power Superintendent to execute a franchise agreement approved by the Fircrest City Council on July 26, 2016 by ordinance No. 1578. A non-exclusive cable TV franchise was granted to Click! Network on August 12, 2003 for a ten-year term. The franchise was amended in 2005 to increase the franchise fee to five percent and to extend the term until April 8, 2016. After negotiations, the parties agreed to a non-exclusive cable TV franchise agreement with a ten year term to expire in 2026. The franchise provides for the terms and conditions under which Click! Network will operate in the City of Fircrest, including compliance with right-of-way regulations, provision of evidence of insurance, payment of a six percent utility tax and a five percent franchise fee based on gross revenues generated.

In response to a Board request, Ms. Burgess provided background on franchise agreements. This agreement gives Click! Network the right to occupy the rights-of-way and governs conditions to satisfy the municipality and provides for payments of taxes and fees. It gives Click! Network the right to have equipment in Fircrest and conduct business.

Being that the Click! Network business plan is pending and there has been no final Board or Council resolution, there was a Board discussion about liability to Tacoma Power/Click! Network if the business plans were to change or there was a discontinuation of services. Ms. Burgess stated that there is no immediate time driver for Board review as there is a six month period from the July 26, 2016 date the Fircrest City Council adopted the franchise agreement for final action to be taken.

Ms. Trudnowski made a motion to postpone this item to a date uncertain; seconded by Mr. Flint. A voice vote was taken and carried.

D-4 Resolution U-10873 – Authorize the negotiated disposition of approximately 1.52 acres of Tacoma Water property located in Enumclaw for \$325,000.

Ms. Trudnowski moved to adopt the resolution; seconded by Mr. Flint.

Gloria Fletcher, Sr. Real Estate Officer, summarized the resolution. Tacoma Water acquired this property in two phases, 1949 and 1980. In 1949 it was used as employee housing and operational support for the Green River Watershed and the Cumberland Tank. The house was subsequently converted to office space and in 1980 Tacoma Water acquired an adjacent parcel and constructed a second shop building. Approximately three years ago, Tacoma Water operations were consolidated at the McMillin Reservoir site and at the time the property was marketed for lease as an interim use but, in part because of the properties unique improvements and zoning designation, a suitable tenant was not found. In 2014 Tacoma Water determined that the property would no longer be needed for its operations and it was listed for sale. Since that time,

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marketing efforts have been ongoing and recently an offer was submitted by George and Mary Roach for \$325,000. Tacoma Water has agreed to work with the buyer to ensure that the zoning will be consistent with the buyer's proposed use, which is single family residential.

In response to a Board inquiry as to whether or not the property has previously been declared surplus, Ms. Fletcher explained that it is standard procedure to wait until an offer is made; however, work is done internally to make sure the operation division doesn't have a future business need. A public hearing will be held before the City Council.

Mr. Flint requested to see a cumulative monetary figure, impacts, and benefits received to TPU by Real Property Services cleaning up the historical properties.

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 the Board

Board Member Flint made positive remarks about the Community Solar program success and celebration that took place on August 13, 2016.

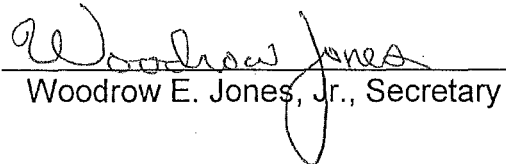
J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:06 p.m. until Wednesday, September 14, 2016, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:



Mark Patterson, Chair



Woodrow E. Jones, Jr., Secretary