



APPROVED 6-21-17

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 May 24, 2017
 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, Monique Trudnowski, Woodrow Jones, Bryan Flint, 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. Jones. Voice vote was taken and carried. The minutes were declared adopted and made part of the record.

Recognitions

Pat McCarty, Generation Manager, presented the Board with the 'Outstanding Stewards of America's Waters' award from the National Hydro Association to Tacoma Power. Keith Underwood, Natural Resources Manager, introduced involved staff. Board Member Flint made positive remarks.

Matt Hubbard, Water Engineer, presented the Board with the 'Excellence in Engineering, Best Planning Project' award from the American Water Works Association to Tacoma Water. Mr. Hubbard described the strategic main replacement project that won this award. Board Member Larkin made positive remarks.

Chris McMeen, Acting Water Superintendent, presented the Board with the 'Landowner of the Year' award from the Washington State Department of Fish and Wildlife to Tacoma Water. Board Member Patterson made positive remarks.

Comments from the Public

There were no public comments.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-10930 – Award contracts and approve purchases:
1. Award contract to RWC International, LTD for the purchase of various new International model cab chassis planned for replacement in 2017 through 2020 (\$4,587,366, plus applicable sales tax);

2. Increase contract to L&S Electric for the supply of thirteen digital governor control systems that includes all labor, materials, and equipment required to design, manufacture, test, deliver, install, commission, and train staff at five Tacoma Power hydroelectric projects (\$300,000, plus sales tax. Cumulative total \$1,856,747, plus sales tax);
3. Award three-year contract to Anixter, Inc., for the purchase of control and instrument cable on an as-needed basis (\$416,810; includes the option for two, one-year renewal periods. No additional funding is requested for the optional renewal periods);
4. Award three-year contract to Morris and Willner Partners, Inc., for temporary utility technology project management staffing services to assist with the implementation and replacement of technology solutions for mission-critical projects (plus the option for two additional one-year renewal periods for a cumulative total of \$1,900,000, plus applicable sales tax)
5. Award three-year contract to RADgov, Inc., for temporary utility technology project management staffing services to assist with the implementation and replacement of technology solutions for mission-critical projects (plus the option for two additional one-year renewal periods for a cumulative total of \$240,000, plus applicable sales tax);
6. Award three-year contract to KRE Consulting, LLC, for temporary utility technology project management staffing services to assist with the implementation and replacement of technology solutions for mission-critical projects (plus the option for two additional one-year renewal periods for a cumulative total of \$1,100,000, plus applicable sales tax);
7. Increase contract to Meteorcomm, LLC for ongoing utilization of proprietary data exchange software necessary for Positive Train Control operations (\$41,985, plus sales tax; cumulative total \$236,985, plus sales tax);
8. Award contract to Herzog Technologies, Inc., for hosted access to the Burlington Northern Santa Fe Railway Company Positive Train Control back office server system (\$997,500, plus sales tax).

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

In response to a Board inquiry on item number two, Ram Veeraraghavan, Power Supervisor, confirmed that the requested \$1.8M is for 13 governors. Mr. Veeraraghavan described the governor as a key control system that operates gates and controls flow of water that rotates the generator in a power plant. In response to a Board inquiry, Mr. Veeraraghavan explained that the project is 45 percent complete.

In response to a Board request for a general description for items four, five, and six, Tony Landrith, Assistant Power Section Manager, answered that the additional resources are for augmented staff for several utility technology projects. As explained in a Board study session, this staff will help meet the shifting demands and brings in needed expertise for successful implementation.

In response to a request for a description of items seven and eight, Alan Matheson, Assistant Rail Superintendent, described Positive Train Control as an onboard computer system connected to the locomotive brakes to prevent collisions. The Burlington Northern Santa Fe (BNSF), Tacoma Rail's class one railroad partner, is ready to implement the system. Item number seven is the messaging software and item number eight provides access to the BNSF back-office operation.

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

D-2 Resolution U-10931 – Authorize execution of a utility installation agreement between Tacoma Power and Prologis, L.P. for electrical service to three new buildings as part of a development project named Prologis Park Tacoma

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

Joe Rempe, Power Engineer, summarized the resolution. Prologis, L.P. is constructing three warehouse/commercial buildings as part of a development project named Prologis Park Tacoma located within the Port of Tacoma's Parcel 14. Tacoma Power will relocate transmission and distribution poles and lines, convert selected distribution lines to underground and install underground distribution infrastructure to serve the three new buildings within the Port of Tacoma's Parcel 14. Prologis, L. P. will pay all actual costs incurred by Tacoma Power including prepayment of such costs in the estimated amount of \$786,093. The parties will reconcile all costs and payments at the end of the project in accordance with the agreement. This project is one hundred percent customer funded with estimated costs paid in advance of construction.

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

H. Reports of the Director

- H-1 Q4 2016 Budget Performance Report
- H-2 Q1 2017 Budget Performance Report
- H-3 2016 Annual Financial Reports for Power, Water, Rail, Fleet, Self-Insurance Fund

Director Gaines called on Jim Sant, Deputy Director for Administration, to provide a report on the fourth quarter 2016 and first quarter 2017 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.

I. Comments by the Board

Board Member Jones made positive remarks about TPU employees that work in a complex, highly-regulated organization.

Board Member Larkin made positive remarks about the employee art work displayed on campus.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 6:50 p.m. until Wednesday, June 14, 2017 for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:


Monique Trudnowski, Chair


Karen Larkin, Secretary