

APPROVED 7-13-16

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 June 8, 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

Steve Hatcher, Customer Services Manager, presented the Board with the Expanding Excellence Award received from CS Week for the Business Process Exception Management Project.

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-10860 – Award contracts and approve purchases:
1. Increase contract to Stafford Excavating, LLC for ongoing labor, materials, and equipment for maintenance of roads, lands, and structures as needed in the Green River Watershed (\$130,000, plus sales tax. Cumulative total \$330,000, plus sales tax).

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

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

D-2 Resolution U-10861 – Authorize execution of a wholesale water agreement with the City of Bonney Lake.

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

Sean Senescall, Rates and Financial Planning Manager, summarized the resolution. The City of Bonney Lake requested to purchase additional permanent water supply to meet needs in their service area. The water requested is within the forecast quantity of water projected by Tacoma Water to be available for wholesale needs. This resolution allows Tacoma Water to enter into a wholesale agreement with the City of Bonney Lake to provide them with additional wholesale supply up to 1,500,000 million gallons per day (gpd) of water for average annual use and up to 2,000,000 million gpd for peak day use. Combined with the existing wholesale purchase, Bonney Lake's total wholesale supply from Tacoma will be up to 2,435,000 million gpd for average annual use, and up to 4,000,900 million gpd for peak day use. Combined payments of \$11,958,098 from Cascade Water Alliance (\$6,181,500) and from Bonney Lake (\$5,776,598) satisfy the contract system development charge requirements for this water.

In response to a Board request, Mr. Senescall spoke to Tacoma Water's capacity to provide this supply. There is a combination of supply sources (wells, Green River) that altogether provide the 110 million gpd of supply in a normal year. Last year's weather conditions were extraordinary and from a supply perspective, those conditions aren't expected again for 20-30 years. Tacoma Water can comfortably serve Bonney Lake without compromising supply reliability as the current demand is under 110 million gpd. Our normal demand is just over 50 million gpd.

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

D-3 Motion 16-06 – Amend Resolution U-10814 to increase the project cost for the 27th Street West Sidewalk Improvement Project in the City of University Place from an aggregate total of \$602,600 to an aggregate total of \$705,127.89.

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

Linda McCrea, Water Superintendent, summarized the motion. Tacoma Water requests approval to increase the project cost for the 27th Street West Sidewalk Improvement Project. This project replaces acquired asbestos cement water main in 27th Street West from Bridgeport Way to Mildred Street West. This project was originally approved on October 24, 2015 via Board Resolution U-10814.

In response to a Board inquiry regarding the 22 percent increase in the base bid and whether or not the whole project increased or just the Tacoma Water portion, Superintendent McCrea stated that the overall project is more expensive. In addition, all water costs were reexamined and the pricing was supported after that reevaluation.

In response to a Board inquiry regarding the benefit of doing public works projects during the recession and if this increase is indicative of the market heating up. If the market is more robust, is that forcing Tacoma Water to look at projects differently. Superintendent McCrea answered that as projects are evaluated, whether or not the asset is at end of life and cost versus benefits are always examined and Tacoma Water capitalizes on the

opportunity to coordinate with other infrastructure projects to realize savings through agency cooperation.

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

H. Reports of the Director

- H-1 March 2016 cash projections for Power, Water, Rail
- H-2 March 2016 financials for Power, Water, Rail, Fleet, Self-Insurance Fund
- H-3 April 2016 cash projections for Power, Water, Rail
- H-4 April 2016 financials for Power, Water, Rail, Fleet, Self-Insurance Fund

I. Comments by the Board


Mr. Flint made positive remarks regarding the successful TPU audit this year. This signifies six years in a row without any audit findings. Mr. Flint also mentioned TPU's involvement in the multi-agency Cascadia Rising earthquake drills.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 6:52 p.m. until Wednesday, June 22, 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