

APPROVED 10-10-18

MINUTES  
City of Tacoma  
Public Utility Board Meeting  
September 26, 2018  
6:30 p.m.

Ms. Larkin called the Public Utility Board meeting to order at 6:30 p.m. in the auditorium at Tacoma Public Utilities.

**Present:** Mark Patterson, Christine Cooley, Karen Larkin, Bryan Flint

**Excused:** Woodrow E. Jones, Jr.

The meeting was quorate.

**Minutes of the Previous Meetings**

Mr. Flint moved that the minutes of the previous meetings be adopted; seconded by Ms. Cooley. Voice vote was taken and carried. The minutes were declared adopted.

**Recognitions**

There were no recognitions.

**Comments from the Public**

There were no comments from members of the public.

**Consent Agenda**

There were no items on the consent agenda.

**Regular Agenda**

- D-1 Resolution U-11024 – Award contracts and approve purchases:
1. increase contract with Anixter, Inc. for continued supply of transmission and distribution overhead insulators on an as-needed basis (\$125,000. Cumulative aggregate total \$324,087.60, plus sales tax).

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

Board Member Flint made a motion to remove this item from the general purchasing resolution. Due to new information regarding a reduced demand for usage, the department has determined that sufficient funding is available on the current agreement until such time that staff will develop a specification and rebid; seconded by Ms. Cooley.

10260 Voice vote was taken and carried. The item was removed from the agenda.

D-2 Resolution U-11025 – Declare surplus and authorize the sale of approximately 1.65 acres of Tacoma Power property to Patrick and Shannon Cookson for \$12,000.

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

Greg Muller, Real Estate Officer, summarized the resolution. The sale property is a small portion of Tacoma Power's Nisqually-La Grande transmission line right of way. The Cooksons would like to install a fence to increase security of the property, and the sale will allow Tacoma Power to align its property rights consistent with its abutting easement rights along the corridor. Tacoma Power does not need to own the property as ownership entails additional management time and expense. Operational needs can be met through permanent easement rights alone as included in this transaction. Additionally, the sale will generate one-time revenue for Tacoma Power. Tacoma Power has negotiated the sale price to the Cooksons for \$12,000; this figure takes into consideration the reservation of an easement to Tacoma Power for continued operations. This item will move forward to the City Council to establish a public hearing and then consideration. If approved, the transaction is expected to close no later than November 30, 2018.

Board Member Cooley made positive remarks about cooperation and coordination between General Government and TPU staff on real property matters. In response to a Board inquiry regarding rights of way, Mr. Muller confirmed that this property is along Tacoma Power's transmission line and this resolution aligns this portion with Power's other easement rights. Mr. Muller added that there haven't been any problems with landowners in the area being able to access easements. In response to a Board inquiry regarding establishment of the sale price, Mr. Muller explained that staff researched other property sales of similarly encumbered properties where the fee rights were sold but the easement maintained so there's little utility to the buyer. That was used as the basis to establish the sale price.

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

D-3 Resolution U-11026 – Declare surplus and authorize the sale of approximately 1.65 acres of Tacoma Power property to Todd and Zana Layland for \$12,000.

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

Greg Muller, Real Estate Officer, summarized the resolution. The sale property is a small portion of Tacoma Power right of way currently used for electrical distribution. However, it is encumbered by a County road. This transaction will allow legal access to the Layland property for development of a two-lot residential short plat. As the Laylands develop the property, the sale property will be dedicated to Pierce County for continued use of the public road while Tacoma Power retains its easement therein. Tacoma Power does not need to own the property as ownership entails additional management time and expense. Operational needs can be met through permanent easement rights alone as included in this transaction. Additionally, the sale will generate one-time revenue for Tacoma Power. Tacoma Power has negotiated the sale price to the Laylands for \$12,000; this figure takes into consideration the reservation of an easement to Tacoma Power for continued operations. This item will move forward to the City Council to establish a public hearing and then consideration. If approved, the transaction is expected to close no later than November 30, 2018.

In response to a Board inquiry about similarity with Resolution U-11024, Mr. Muller stated that this is in the same vicinity, but Tacoma Power only has distribution along the edge of the road, not transmission and only foresees a need to maintain the distribution line, not the transmission line. In response to a Board request for clarification regarding the County's role, Mr. Muller stated that there will be some of the county road on the western fifty feet of the row and if that property develops and access needed, there will be an opportunity to sell the other half of the row; at this time, the county has not expressed interest.

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

D-4 Resolution U-11027 – Authorize the continued funding of United States Geological Survey streamflow gaging and meteorological services for Tacoma Power's hydroelectric projects.

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

Leah Marquez-Glynn, Sr. Power Analyst, summarized the resolution. The United States Geological Survey (USGS) has provided vital streamflow gaging and meteorological services to Tacoma Power for decades. In 1993, the Public Utility Board signed Resolution U-8896 allowing Tacoma Power to continue paying the USGS for these services as long as the increase in required funds stayed under the increase in the Consumer Price Index. By working with the USGS to keep costs low, it has been possible to stay under the required level until this year. Due to recent reductions in federal matching funds, it is no longer possible to do so. It is necessary to get the Board's approval to continue paying the USGS for these vital streamflow gaging and meteorological services. The cost in 2018-2019 will be \$12,277 above the approved amount.

In response to a Board inquiry regarding the likelihood of additional funding requests, Ms. Marquez-Glynn explained that staff is likely to come back next year. Federal matching funds used to keep pace with costs at USGS and those matching funds stopped in 2015. USGS is receiving less federal money and that is expected to continue.

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

D-5 Resolution U-11028 – Authorize execution of six long-term network integration transmission service agreements between Tacoma Power and the Bonneville Power Administration.

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

Marc Donaldson, Power Engineer, summarized the resolution. The Bonneville Power Administration (BPA) provides power to ten load-serving entities embedded within Tacoma Power's service territory under existing transmission service agreements with Tacoma Power. These load-serving entities (Alder Mutual Light Company, Eatonville Power and Light Company, Elmhurst Mutual Power and Light Company, Lakeview Light and Power Company, the Town of Milton, Ohop Mutal Light Company, Parkland Light and Water Company, Peninsula Light Company, the Town of Steilacoom, and a portion of Lewis County Public Utility District) are often referred to as the Pierce County Mutuals or PCMs. Service under Network Integration (NT) and Point-to-Point (PTP) transmission service agreements are governed by the rates, terms, and conditions of Tacoma Power's Open Access Transmission Tariff (OATT) pursuant to Board Resolution U-10807. The Board authorized Tacoma Power to enter into four short-term PTP agreements covering six of the PCMs who

10262 needed more time to install load shedding equipment required under the OATT. Now that required load shedding equipment has been installed, Tacoma Power is able to offer these six long-term NT agreements to BPA as replacement of the existing short term PTP agreements. These NT agreements, with a term through September 30, 2028, are for delivery of power to Eatonville, Elmhurst, Milton, Ohop, Parkland, and Steilacoom.

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

**H. Reports of the Director**

Director Flowers called on Water Superintendent Dewhirst for a report on the Bronze Award from the State Department of Health. Superintendent Dewhirst. Superintendent Dewhirst then introduced water quality staff members Gary Fox, Jeff Bolam, Craig Downs, and Chris McMeen. Bob James from the State Department of Health then presented the Board with the Bronze Award. Every two years, the Department of Health looks at water utilities to recognize outstanding service. This Bronze Award is for treatment optimization and is given when standards are met for three consecutive years. Since Tacoma Water's filtration plant started, all optimization goals have met. Mr. James remarked that Tacoma Water produces water that is among the best in the region. Board Members made positive remarks about the award.

Director Flowers called on Bill Berry, Power Rates, Planning, and Analysis Manager, for a report on this year's TPU United Way campaign. Mr. Berry stated that TPU is in the midst of this year's United Way campaign. TPU employees raised \$164,000 last year and one week into this year's campaign the total is \$86,000. The goal has been to educate employees about the needs of those who live in the community. Mr. Berry will have a final report at the end of the campaign. Board Members made positive remarks about employee participation and support of the program.

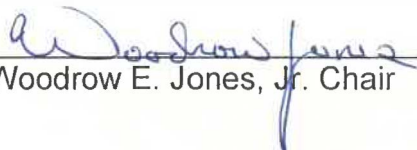
**I. Comments by the Board**

There were no additional comments by the Board.

**J. Adjournment**

There being no further business or comments, the Public Utility Board was adjourned at 6:59 p.m. until Wednesday, October 11, 2018 for a study session beginning at 3:00 p.m. at Tacoma Public Utilities, followed by the regular meeting at 6:30 p.m. at Tacoma Public Utilities.

Approved:

  
Woodrow E. Jones, Jr. Chair

  
Bryan Flint, Secretary