



APPROVED 6-12-19

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 May 22, 2019
 6:30 p.m.

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

Present: Woodrow E. Jones, Jr., Mark Patterson, Christine Cooley, Bryan Flint, Karen Larkin

The meeting was quorate.

Minutes of the Previous Meetings

Ms. Larkin 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.

Recognitions

There were no recognitions.

Public comment

Mitchell Shook reviewed the February financials for Click! and chapter 4.6 of the City Charter.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-11085 – Award contracts and approve purchases:
1. Increase and extend contract with CSG Systems, Inc., for printing and mailing of Click! cable TV customer billing statements (\$156,000; cumulative total \$1,045,000, plus applicable taxes);
 2. Award contract to Lee & Associates Commercial Real Estate Services, LLC, for real estate brokerage services to market Tacoma Power's Frederickson Industrial Site (one-year term with the option to renew for up to four additional one-year terms. No pre-determined contract amount as the fee to be paid is tied directly to the final sale price of the property);

3. Award contract to Quigg Bros, Inc., for the installation of a new pipeline support bridge for the Swan Creek fish passage improvement project (\$644,100, plus any applicable taxes).

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

In response to a Board inquiry on item number two about Water's history on the property, original purpose, and transfer to Power, Greg Muller, Real Estate Officer, answered that it was a water source in the 1890's and the flume line was developed later and this was replaced with modern supply. In 2007-2008, 30 acres were transferred from Water to Power because Power had plans to replace and relocate the South Service Center. However, the old South Service Center site was retained making this property unneeded. When Water transferred the property, it was usable and Water maintained the environmentally-sensitive property by Clover Creek. This was declared surplus by Water and run by other City departments, but no one else stated they needed the property. In response to a Board inquiry regarding whether or not the property could be sold in increments of less than the 30 acres, Mr. Muller answered that yes it could but experts say that the market demand is for large contiguous sites. Board Member Cooley requested information when the final proposal is received with information for goals, economic development opportunities, and environmental implications. Mr. Muller concluded by confirming that the property is in the Frederickson property area and it is zoned industrial.

In response to a Board inquiry on item number one regarding contract term obligations, Pam Burgess, Click! Business Manager, stated that this contract could be cancelled with 90-days written notice to the vendor.

Public comment was taken from Mitchell Shook, who spoke in favor of an audit on Click! and tabling this item and in opposition to mailing paper invoices and public private partnerships.

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

- D-2 Resolution U-11086 – Authorize establishment of the Cowlitz Restoration and Recovery Program to fund recovery and restoration actions as required by the Cowlitz River Hydroelectric Project federal license.

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

Keith Underwood, Natural Resources Manager, summarized the resolution. Pursuant to the Federal Energy Regulatory Commission (FERC) license, Tacoma Power and its stakeholder group, the Cowlitz Fisheries Technical Committee (FTC) have been working toward the establishing the Cowlitz River and Recovery Program (CRR) in lieu of providing volitional fish passage since the FERC relicensing was completed in 2003. A \$15M CRR program fund was established in 2008 (currently, with interest \$17,823,562M). FERC issued the order approving the plan for abandonment of volitional fish passage and implementation of the CRR program on March 7, 2019. The CRR program uses a competitive grant process based on regional and state-wide salmon recovery funding models to solicit for, evaluate, and fund individual habitat and/or hatchery-associated production projects. The CRR program has established specific guidelines, criteria, and priorities to guide project development by grant applicants, and

project evaluation and selection by the FTC. The CRR program also funds FTC-approved habitat assessment to guide protection and restoration activities. The CRR program proposes a sustainable use of funds, requesting up to \$3M per biennium from the Board to fund grant rounds. Tacoma Power may request additional funds from the Board through resolution to respond to exceptional opportunities, such as significant, high-priority land procurement. Because projects in the CRR program grant round go through an extensive technical review and selection process, and because FERC has established that resource projects will be approved by the FTC, Tacoma Power recommends that the Board delegate signature authority for all project sponsor contracts to the Director of Utilities. The Board will maintain oversight over Tacoma Power's administration of the CRR program through annual reporting and updates to the Board.

Board Members made positive remarks about this resolution and staff's work.

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

H. Reports of the Director

Director Flowers called on Joe Tellez, Chief Information Officer; Andre Pedefferri, Advanced Meter Project Manager; and Andrew Braeger, Power Engineer to report on the Utility Modernization Strategy and Roadmap. The vision for the utility modernization strategy and roadmap is to integrate technology and foster innovation to deliver affordable, flexible, secure, resilient, and sustainable power and water services for our customers. Benefits include affordability, flexibility, security, resiliency, and sustainability that enable TPU's objectives of equitable customer service, economic development, environmental stewardship, and reliability/resiliency. Examples of utility modernization, increasing customer expectations, new market opportunities, integration of renewables, aging infrastructure, evolving workforce, and rising cybersecurity threats were then reviewed. Current modernization initiatives were summarized. These include Advanced Meters, digital customer engagement, data-driven decision making, water quality analytics, improving resiliency through cybersecurity program maturity, and unmanned aircraft systems for utility operations. Future initiatives include distribution automation, energy imbalance and market integration, GIS connectivity models, digital twin capability, and Blockchain. The presentation was concluded with the review of the technology roadmap and Board presentation schedule.

Board Members made positive remarks about the presentation.

I. Comments by the Board

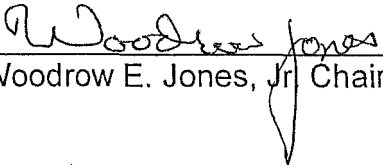
Director Flowers announced that on May 14, multi-message email distribution started. The next distribution will take place on June 18. Anyone interested in receiving these TPU messages are welcome to sign up at mytpu.org.

Board Members made positive remarks about the rededication ceremony for the 50th anniversary of Mossyrock Dam that took place on May 17.

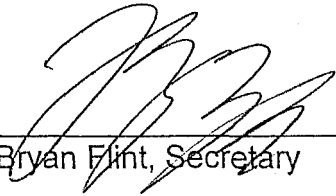
J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:30 p.m. until Wednesday, June 12, 2019 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