



APPROVED 1-9-19

MINUTES
 City of Tacoma
 Public Utility Board Meeting
 December 12, 2018
 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

The Excellence in Public Power Communications Awards from the American Public Power Association was recognized by the Board. Two videos produced by Annie Pantzke, Community Relations Officer, highlighting Tacoma Power's habitat restoration and conservation programs, were shown. Board Members made positive comments about the awards.

Comments from the Public

Mitchell Shook made public comments in favor of Tacoma Power maintaining ownership of its fiber optic network and creating more Internet Service Partners (ISPs) and commented in opposition of a public/private partnership for Click! Network.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-11044 – Award contracts and approve purchases:
1. Award contract to Anixter, Inc., for the purchase of warehouse stock items on an as-needed basis (\$100,000, plus applicable taxes. Initial one-year term with the option to renew for five optional one-year renewals for a projected contract amount of \$600,000, plus applicable taxes);

2. Increase contract to United Site Services Nevada, Inc., for the rental and service of portable toilets, sinks, and handwashing stations (\$400,000. Cumulative total \$600,000, plus applicable taxes);
3. Increase contract with Lewis County Public Utility District No. 1 to construct and lease a dark fiber network between the Mayfield Hydroelectric Project boundary and Lewis County's Salkum Substation (\$52,098.78. Initial one-year term and annual renewals for seven years for a cumulative total of \$228,624.78, plus applicable taxes);
4. Increase Tacoma Power contract with Nokia of America Corporation to purchase hardware, equipment, software, licensing, services, training, and maintenance support for a wide area network telecommunications system (\$1,776,938.60. Cumulative total \$7,001,016.15, plus applicable taxes);
5. Award Tacoma Water contract to Nokia of America Corporation for hardware, equipment, software, licensing, and maintenance services to support a telecommunications system (\$445,049.17, plus applicable taxes);
6. Increase contract to Carollo Engineers, Inc., for engineering services related to the Green River Filtration Facility operations and optimization of treatment processes (\$149,640, plus sales tax. Cumulative contract total \$249,620, plus applicable taxes);

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

Ms. Larkin moved to amend Resolution U-11044 by removing items number one and three to allow staff time to resolve contract issues; seconded by Mr. Flint.

Voice vote to amend the resolution was taken and carried.

In response to a Board request for additional background on item number four, Aaron Anderson, Power Supervisor, summarized the need for the contract. Through the design process, it was discovered that the software maintenance agreement needed to be aligned with the contract. Staff also needed to move toward software-based infrastructure and an envelopment network to test patches for critical infrastructure was needed. The contract will also provide help with transition and project knowledge management. The overall project creates a link between critical components of infrastructure so they can communicate with all of the hydroelectric projects and 45 other sites. This includes all of the control data and emergency cameras for dam safety.

In response to a Board inquiry on item number two regarding the cost of the contract versus providing in-house facilities, Chuck Blankenship, Management Analyst, stated he would provide the information to the Board after analysis has been completed.

In response to a Board inquiry regarding item number six regarding the transition and adjustment to the new water filtration facility, Kim DeFolo, Principal Engineer, summarized the contract. The filtration plant has been in operation for four years and staff and the contractor are optimizing the facility and operating it through unique, never experienced before conditions. The contract supports Tacoma Water through new situations and helps to optimize operations to be more efficient and improve water quality; the consultant has broad, nationwide experience related to unique issues. Issues constantly change through industry research and the discovery of best practice so having this on-call support is helpful. Tacoma Water is moving toward internal expertise and the original contract from 2017 has two, two-year renewals.

Mitchell Shook made public comment on the Nokia contracts. Mr. Shook made comments in support of utilizing existing Click! infrastructure for communication needs and for cost allocations to be re-examined.

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

D-2 Resolution U-11045 – Amend existing contracts with Lamar Outdoor to provide ongoing advertising for customer energy conservation programs and Click! Network.

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

Julie Jensen, Media Specialist, summarized the resolution. Staff recommendation is to increase contracting with Lamar by \$86,396 for Click! outdoor advertising, \$60,755 for Customer Energy Programs (CEP) transit advertising and increase the contract by \$87,596 for CEP outdoor advertising. CEP has used transit and other outdoor advertising since 2017 and would like to again use bus tails and interior bus signage, as well as outdoor poster panels, to promote conservation programs in 2019. Additionally, Click! has been using outdoor advertising to promote cable and internet and hopes to continue creating awareness through outdoor poster panels. The Click! contract can be cancelled with 60-days written notice.

Mitchell Shook made public comment in opposition of this advertising medium for Click! and asked that consideration of this resolution be postponed.

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

D-3 Resolution U-11046 – Approve TPU's state and federal legislative policies.

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

Clark Mather, Community and Government Relations Manager, summarized the resolution. The legislative policies summarize TPU's positions on certain federal and state issues. Exhibit A of the resolution specifies the policies for TPU and each of its operating divisions. Board Members made positive remarks on staff responsiveness to Board inquiries while the policies were being developed. Positive remarks about coordination with General Government were also made.

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

D-4 Resolution U-11047 – Approve TPU's state and federal legislative agenda.

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

Clark Mather, Community and Government Relations Manager, summarized the resolution which outlines the proposed legislative agenda to advocate on TPU's behalf during 2019. The agenda contains specific items that are the proactive policy objectives, consistent with TPU's legislative policies. Exhibit A of the resolution outlines the agenda items for TPU and each of its operating divisions. Board Members made positive remarks about staff work on this, with emphasis on carbon reduction policies, equitable access to solar, and electrification of the transportation system.

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

- D-5 Resolution U-11048 – Authorize execution of a professional services agreement with Gordon Thomas Honeywell Government Affairs for state legislative and governmental services.

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

Clark Mather, Community and Government Relations Manager, summarized the resolution. TPU is in need of assistance with the state legislature and executive agencies and wishes to continue services of the consultant. The same contractor has provided General Government (GG) lobbying assistance on state issues. Its work is coordinated through TPU and GG. The contractor has provided essential assistance on state issues. There is an immediate and important need for the services, which are specially tailored to meet legislative goals. This contractor has special contacts and expertise to assist in these services.

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

- D-6 Resolution U-11049 – Authorize execution of a professional services agreement with Gordon Thomas Honeywell Government Affairs for federal legislative and executive assistance.

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

Clark Mather, Community and Government Relations Manager, summarized the resolution. TPU is in need of assistance with the federal government and executive agencies and wishes to continue services of the consultant. The same contractor provides GG lobbying assistance. The contractor has provided essential assistance and there is an immediate and important need for the services, which are specifically tailored to meet federal and congressional goals. The contractor has unique relationships with congressional staff, and special contacts and expertise to assist in these services.

In response to a Board inquiry, Mr. Mather clarified that General Government utilizes a different firm for the services in this resolution, but there is ongoing dialogue with them on federal issues.

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

- D-7 U-11050 - Authorize the renewal of the waiver of power and water utility connection and inspection fees for cities in Tacoma Power and Tacoma Water's service territories during the declared state of emergency related to the conditions of homelessness encampments.

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

Tom Morrill, Chief Deputy City Attorney, summarized the resolution. The ongoing threat of significant harm to human health and life arising from the conditions in homeless

10296 encampments has not yet been abated and has resulted in a continued declaration of emergency by the City Council. This resolution authorizes TPU to provide services for the poor and infirm during the current declared state of emergency by renewing the waiver of connection and inspection fees for cities in Tacoma Power and Tacoma Water's service territories for the sheltering of low-income and/or infirm persons to December 31, 2019. In response to Board requests for clarification, Mr. Morrill stated that there are no new ongoing costs; the resolution applies to new facilities. In addition, this applies to other municipalities in Tacoma Power and Tacoma Water service areas.

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

D-8 Resolution U-11051 – Authorize payment of the Western Electricity Coordinating Council, North American Electric Reliability Corporation, and Western Interconnection Regional Advisory Board statutory costs for 2019.

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

John Nierenberg, Assistant Power Section Manager, summarized the resolution. Tacoma Power's share of the 2019 statutory costs for the Western Electricity Coordinating Council (WECC), North American Electric Reliability Corporation (NERC), and Western Interconnection Regional Advisory Board (WIRAB) in the amount of \$235,451 was calculated in accordance with the established rule of procedure, and approved by the appropriate governing bodies for each entity. WECC, NERC, and WIRAB's budgets and allocations were approved by the Federal Energy Regulatory Commission (FERC) on October 18, 2018. Board Member Patterson added that these costs are for operating the management of the grid and is a requirement.

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

D-9 Resolution U-11052 – Authorize payment to Peak Reliability for Tacoma Power's allocated share of the 2019 Peak Reliability final funding.

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

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

H. Reports of the Director

- H-1 September 2018 cash projections for Power, Water, Rail
- H-2 September 2018 financials for Power, Water, Rail, Fleet, Self-Insurance Fund
- H-3 October 2018 cash projections for Power, Water, Rail
- H-4 October 2018 financials for Power, Water, Rail, Fleet, Self-Insurance Fund
- H-5 Third quarter 2018 budget performance report

Director Flowers called on Jim Sant, Deputy Director for Administration, to provide a report on the third quarter 2018 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.

Greg Volkhardt, Water Division Manager; and Dana Brown, Assistant Public Works Division Manager, provided an update on Pipeline 4 Trail. Phase one was

completed in 2009; Phase two is under construction with an expected completion date of February 2019; Phase three is funded for construction and is expected to start the second quarter of 2019. Messrs. Volkhardt and Brown shared photos and maps of the progress and recognized additional partners; such as Pierce County Parks and Recreation, Tacoma Metro Parks, Tacoma Housing Authority, and Tacoma School District.

Director Flowers stated that a time capsule has been created to close out the recognition of TPU's 125th anniversary. The time capsule is to be opened in 25 years in 2043. Each Board Member talked about the significance of the anniversary, made remarks about TPU's history, and placed cards summarizing their thoughts into the time capsule.

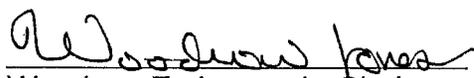
I. Comments by the Board

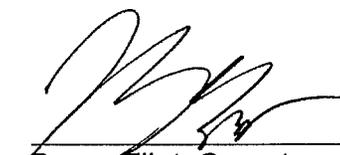
Board Chair Jones wished everyone a very happy holiday season.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 8:23 p.m. until Wednesday, January 9, 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