



APPROVED 12-16-15

MINUTES
City of Tacoma
Public Utility Board Special Study Session
December 3, 2015
3:00 p.m.

Mr. Flint called the Public Utility Board special study session to discuss Click! to order at 3:00 p.m. at the Public Utilities Administration Building Auditorium.

Present: Bryan Flint, Woodrow Jones, Mark Patterson, Monique Trudnowski, Karen Larkin

Kathleen Deacons, representing Bryan Haynes of Rainier Connect, made comments to underscore the interest of Rainier Connect in continuing to be an integral part in serving Click! and expressed interest in partnering with Click! if the lease option is selected. Ms. Deacons then outlined the benefits of Rainier Connect in the community. In response to an inquiry from Board Member Trudnowski, Ms. Deacons confirmed that Rainier Connect is interested in a lease deal, not a sale.

In response to an inquiry from Chair Flint regarding whether or not Rainier Connect could be responsive to the lease criteria outlined, Ms. Deacons answered that Rainier Connect would need to respond directly to that.

Steven Weed, Founder and CEO of Wave, presented a PowerPoint that provided information about Wave's employees, network, services available, and customer service. Mr. Weed then outlined terms of a proposed five-year network lease and Wave's competitiveness in the market.

In response to an inquiry from Board Member Trudnowski about the history of Wave in the area, Mr. Weed stated that he first met with Click! 13 years ago and spoke to the scale that must exist in order to compete and how a lease agreement is a great opportunity to connect with Click!'s great network.

In response to an inquiry from Board Member Trudnowski regarding Inet, Mr. Weed answered that Inet remains a part of the lease agreement.

In response to an inquiry from Board Member Trudnowski regarding relationships with Internet Service Providers (ISP), Mr. Weed answered that Wave would retain and renew relationships with ISPs as that is good for business and provides better penetration. Wave will also provide internet support for low income customers.

In response to an inquiry from Board Member Trudnowski regarding a potential future sale of Wave, Mr. Weed answered that Wave wouldn't be permitted to sell to Comcast by the federal government.

In response to an inquiry from Board Member Trudnowski regarding potential build out in all of Tacoma Power's service territory, Mr. Weed answered that Wave would be eager to expand in those areas.

In response to an inquiry from Board Member Trudnowski as to whether or not Wave would be open to a citizen advisory board, Mr. Weed said yes, and he was on such a Board in Seattle and is familiar with the process.

In response to an inquiry from Board Member Jones regarding how Wave would maintain competitiveness, Mr. Weed answered that Wave listens to the customer, understands technology, and makes capital investments.

In response to an inquiry from Board Member Flint regarding how long a system upgrade would take, Mr. Weed answered approximately twelve months after the permitting process to get to 100 percent of the customer base. This is a staged process so some may get products earlier.

In response to an inquiry from Board Member Flint regarding how Wave would benefit by connecting to Click!'s network, Mr. Weed answered that Wave wants to serve Tacoma's neighborhoods, schools, and libraries.

In response to a request from Board Member Larkin regarding fiber connections to substations, Tenzin Gyaltsen, Click! General Manager, answered that Click! maintains fiber infrastructure but the connections are maintained by Tacoma Power employees and that practice would continue if there was a lease.

In response to an inquiry from Board Member Jones regarding what Rainier Connect does in the community and about its proposal for the future, Ms. Deacons answered that she is not prepared to present the Rainier Connect proposal.

Board Member Patterson moved to convene an executive session for the purposes of discussing potential litigation per RCW 42.30.110(1)(i) at 4:05 p.m. for 30 minutes; seconded by Board Member Trudnowski. At 4:35, Chair Flint announced that the executive session would be extended by 15 minutes. The executive session was adjourned at 4:50. Attorneys present for the executive session were Elizabeth Pauli, City Attorney; and Bill Fosbre, Chief Deputy City Attorney.

Adjournment

The Board returned to the dais at 4:50 and adjourned the study session until the next regularly scheduled study session on Wednesday, December 16, 2015 at 3:00 p.m.

Approved:

Approved:

Bryan Flint, Chair

Monique Trudnowski, Secretary