



APPROVED 6-24-15

MINUTES
City of Tacoma
Public Utility Board Meeting
June 17, 2015
6:30 p.m.

Mr. Jones called the Public Utility Board meeting to order at 6:30 p.m. at the Public Utilities Administration Building.

Present: Woodrow Jones, David Nelson, Bryan Flint, Monique Trudnowski, Mark Patterson (via telephone).

The meeting was quorate.

Minutes of the Previous Meetings

Mr. Flint 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

There were no recognitions.

Comments from the Public

Mitchell Shook, owner of Internet Service Provider Advanced Stream, made public comments summarizing his company's progress and performance under Click! Plan B.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

D-1 Motion 15-06 – A motion to allow telephonic participation in the June 17, 2015 Public Utility Board meeting by Board Member Patterson.

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

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

D-2 Resolution U-10779 – Authorize execution of a revised Letter of Understanding negotiated between the City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit.

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

Tara Schaak, Labor Negotiator, summarized the resolution. The agreement covers approximately 17 full-time employee positions intended to be for the special circumstances surrounding the needs of Tacoma Power's Cushman Hydroelectric Project and Wynoochee River Project. This item is scheduled to be considered by the City Council on June 30, 2015.

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

D-3 Resolution U-10780 – Authorize TPU to enter into a five-year, \$400,000 funding commitment with the Economic Development Board for Tacoma-Pierce County to support the five year work plan.

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

Bill Gaines, Director of Utilities, summarized the resolution. The Economic Development Board promotes job retention and growth. TPU has been a partner in funding the Economic Development Board since its inception. The Economic Development Board's five-year work plan is directly linked to and consistent with TPU's operations and will help grow the economy.

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

D-4 Motion 15-07 – Authorize a one-year renewal of property insurance coverage for Tacoma Public Utilities.

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

Jim Sant, Deputy Director for Administration, summarized the motion. The insurance advisor has recommended that TPU bind property insurance coverage, with earthquake, flood and terrorism coverage, through the Public Entity Property Insurance Program and Rail equipment coverage through Allianz Global Corporate & Specialty for locomotives, coaches, and track equipment. The terms of each of these policies provide coverage from July 1, 2015 to June 30, 2016.

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

D-5 Resolution U-10781 – A resolution directing Tacoma Power to not enter into any wholesale broadband internet service agreements with the Internet Service Providers until after the public debate is over and direction is provided by the Public Utility Board.

Mr. Flint moved to postpone Resolution U-10781 indefinitely; seconded by Mrs. Trudnowski.

Voice vote was taken and carried. The motion to postpone this item indefinitely was approved.

D-6 Resolution U-10782 – Approve an ordinance repealing and reenacting the Tacoma Electrical Code, Chapter 2.04 of the Tacoma Municipal Code, relating to code changes and permits.

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

James Hellman, Chief Electrical Inspector, summarized the resolution. Amendments to the Electrical Code will clarify adoption and application of the current safety standards and practices contained in the 2014 National Electrical Code and the Washington Administrative Code. The amendments include new definitions, clarification of terms, and conditions for permits and inspection fee services that will improve customer understanding and use of the code.

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

D-7 Resolution U-10783 – Authorize Tacoma Power to execute a Letter of Agreement with Lipoma Communities, LLC to provide a new distribution power system to 160 residential lots.

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

John Martinson, New Services Supervisor, summarized the resolution. Lipoma Communities, LLC is a redeveloped piece of land at approximately 104th Ave E and 187th St E for the creation of 160 new single family building lots within Tacoma Power's service area. The estimated cost of the project will be \$334,104.00. One hundred percent of the project estimated will be customer-funded in advance so there is no budgetary impact.

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

D-8 Resolution U-10784 – Authorize execution of a five-year extension of the RockTenn water supply agreement and adoption of rates that are in accordance with that agreement with Tacoma Water.

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

Sean Senescall, Rates and Financial Planning Manager, summarized the resolution. This resolution utilizes one of the options in the existing water supply agreement with RockTenn to extend the term of that agreement by five years in order to provide time for the mill to comprehensively evaluate its water supply needs in the context of recent ownership transitions and pending federal regulations. In accordance with that agreement, this resolution seeks to implement rate adjustments according to the system average. The first of three adjustments has already been made for 2015 through July 31, 2015; this rate needs to be extended through the remainder of 2015. The four percent rate adjustment, effective January 1, 2016, needs to be incorporated into section 12.10.400.I of the Tacoma Municipal Code.

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

D-9 Resolution U-10785 – Authorize execution of an agreement between the Washington State Public Works Board and Tacoma Water for a \$12,120,000 low-interest loan for the Green River Filtration Facility.

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

Craig Downs, Water Quality Engineering Supervisor, summarized the resolution. The Green River Filtration Facility project is necessary to comply with cryptosporidium treatment requirements of the federal Long Term 2 Enhanced Surface Water Treatment Rule. The interest rate is 1.5 percent with a term of 20 years and one percent interest saving the rate payers an estimated \$2.9M in interest payments.

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

F. Unfinished Business

F-1 Motion 15-05 - Amend Resolution No. U-10760 approved March 11, 2015, to direct that the contract term of any wholesale broadband internet service agreements to be negotiated by Tacoma Power and the Internet Service Providers not exceed two years in duration.

Mr. Flint moved to postpone Motion 15-05 indefinitely; seconded by Mrs. Trudnowski.

Voice vote was taken and carried. The motion to postpone this item indefinitely was approved.

H. Reports of the Director

Director Gaines reported on his attendance at the Large Public Power Council (LPPC) meeting in Washington D.C. The LPPC was able to have audience with United States Treasury Secretary, Jack Lew, and Housing and Urban Development Secretary, Julian Castro, as well as Senate and House Energy Committee Members. This highlights the value of TPU involvement in trade organizations such as LPPC to advance policies on behalf of our ratepayers.

I. Comments by the Board

Board Member Nelson made positive comments while describing his attendance at the American Water Works Association national conference.

Board Member Nelson stated that no final decision has been made by Click! as the issue is still being studied.

Board Member Flint congratulated Director Gaines on his appointment to the Board of Director's Executive Committee of the American Public Power Association.

Board Member Flint stated that he and Board Member Trudnowski attended the North End Neighborhood Council meeting at which Click! was discussed.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:11 p.m. until Wednesday, June 24, 2015, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:

Woodrow E. Jones, Jr., Chair

Mark Patterson, Secretary