



APPROVED 10-14-15

MINUTES
City of Tacoma
Public Utility Board Meeting
September 23, 2015
6:30 p.m.

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

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

The meeting was quorate.

Minutes of the Previous Meetings

Mr. Patterson moved that the minutes of the previous meetings be adopted; seconded by Ms. 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

There were no comments by the public.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-10804– Award contracts and approve purchases:
1. Increase contract with Deere & Ault Consultants, Inc., for all engineering consultant services related to the design and construction of the North Fork Skokomish Hatchery and the Saltwater Park Hatchery at the Cushman Hydroelectric Project (\$60,000; cumulative total \$1,870,000; engineering consultant services total \$2,480,000, sales tax not applicable);
 2. Award contracts to Long Painting Company for painting various steel structures at the Cowlitz Hydroelectric Project, and Purcell P&C, LLC for painting various steel structures at the Nisqually Hydroelectric Project (\$833,723 and \$1,080,000 respectively, plus applicable sales tax. Includes option for one year extension period on both contracts);
 3. Award two-year contract to Ijin Electric USA, Inc., for the purchase of power transformers (\$2,000,000, plus sales tax, plus the option for two one-year renewal periods for a projected cumulative total of \$4,158,000, plus sales tax).

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

In response to a Board inquiry, Chad Druffel, Principal Engineer, provided clarification on item number one.

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

D-2 Motion 15-10 - Approve settlement in the claim of Kyla Polee.

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

Bill Fosbre, Chief Deputy City Attorney, stated that upon concurrence by the City Council, the Director of Utilities is hereby authorized to settle the claim of Kyla Polee, claim no. L-034-15, in the amount of \$70,458.35 as further explained in a confidential memo provided to the Board.

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

D-3 Resolution U-10805 – Authorize execution of a professional services contract with Traversa Consulting, LLC for strategic planning services to Tacoma Power for an amount not to exceed \$225,625.

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

Chris Robinson, Power Superintendent, summarized the resolution. It has been since 2007 that Tacoma Power has engaged in an effort and it is prudent for the utility to clarify its strategic direction and vision for the next three to five years, develop specific plans to execute the vision, and align the organization in a manner consistent with the developed strategy. Tacoma Power leadership has an expressed desire to complete this strategic planning process in advance of the 2017-2018 budgeting process that will begin in early 2016. In order to accommodate this timeline, it is in Tacoma Power's interest to work with a consultant that is both familiar with and has prior experience and knowledge of Tacoma Power.

Mr. Robinson provided clarification upon Board Member request.

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

D-4 Resolution U-10806 – Delegate authority to the Director of Utilities to modify Contract Demand and Contract Energy values provided to Contract Industrial customers.

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

Rick Applegate, Power Analyst, summarized the resolution.

Mr. Patterson moved to table Resolution U-10806 to the meeting of October 14, 2015; seconded by Ms. Trudnowski.

Voice vote was taken and carried. The resolution was tabled until October 14, 2015.

Ms. Trudnowski left the meeting at 7:00 p.m.

D-5 Resolution U-10807 – Authorize execution of four short-term, Point-to-Point Transmission Service Agreements with Tacoma Power and the Bonneville Power Administration.

Mr. Patterson moved to adopt the resolution; seconded by Mr. Jones.

Marc Donaldson, Power Analyst, 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 ten entities are often referred to as the Pierce County Mutuals. Board Resolution U-10720 authorized Tacoma Power to enter into agreements with the Pierce County Mutuals. These new three-year agreements cover six of the Pierce County Mutuals who require additional time to install required load shedding equipment necessary to replace the agreements which are set to terminate on September 30, 2015.

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

D-6 Resolution U-10808 – Declare surplus and convey approximately 0.36 of an acre of Tacoma Power property located in Pierce County to the abutting property owner, WGW Inc., for \$63,193.

Mr. Patterson moved to adopt the resolution; seconded by Mr. Jones.

Gloria Fletcher, Senior Real Estate Officer, summarized the resolution.

Board Member Larkin moved to table Resolution U-10808 to the next Board meeting of October 14, 2015; seconded by Chair Flint.

Voice vote was taken and carried. The resolution was tabled until October 14, 2015.

D-7 Resolution U-10809 – Authorize Tacoma Rail to accept five ten-year, interest-free loans from Washington State Department of Transportation for track rehabilitation and improvement projects.

Mr. Patterson moved to adopt the resolution; seconded by Mr. Jones.

Kyle Kellem, Rail Roadmaster, summarized the resolution. This resolution would authorize Tacoma Rail to enter into five separate ten-year loan agreements from the Washington State Department of Transportation for track rehabilitation and improvement projects for zero percent interest, less a one percent administrative fee, over a ten year term.

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

H. Reports of the Director

H-1 August cash projections for Power, Water, Rail

H-2 August financials for Power, Water, Rail, Fleet, Self-Insurance fund

I. Comments by the Board

Chair Flint made positive remarks about a recently attended electric vehicle symposium, water conservation efforts, and reconfirmation of the Director of Utilities.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:22 p.m. until Wednesday, October 14, 2015, for a study session beginning at 3:00 p.m., followed by the regular meeting at 6:30 p.m.

Approved:

Bryan Flint, Chair

Monique Trudnowski, Secretary