



APPROVED 4-27-16

MINUTES
City of Tacoma
Public Utility Board Meeting
April 13, 2016
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, Monique Trudnowski, Karen Larkin

The meeting was quorate.

Minutes of the Previous Meetings

Mr. Patterson 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

Erika Tucci, Community Relations Officer, informed the Board of two community service and volunteer awards received by Tacoma Public Utilities. The Emergency Food Network awarded TPU for employees' work at Mother Earth Farms and volunteering to repack bulk foods one Saturday each month. The second award is the Governor's Volunteer Service Award for employer-based programs. TPU's Community Connection program is the first employer-based program to win the award.

Comments from the Public

There were no public comments.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

- D-1 Resolution U-10854 – Award contracts and approve purchases:
1. Award three-year contract to W W Grainger, Inc., for the purchase of maintenance, repair, and operating supplies on an as-needed basis (\$1,800,000, plus sales tax);
 2. Award contract to Office Depot for office supplies on an as-needed basis (\$1,000,000, plus sales tax);
 3. Award contract to Coast Rail, Inc., to upgrade seven railroad track turnouts and associated work (\$556,040, plus applicable sales tax).

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

In response to a Board inquiry on item number seven regarding maintenance schedules for track turnouts and the disposal of waste materials, Kyle Kellem, Road Master, explained that the track turnouts are replaced as needed. Heavily used portions of the yard will tie into the larger Port project outlined for the Board earlier this year. The tracks are inspected monthly and we will know a year or two in advance of repair needs in order to keep within specifications. The old materials are scrapped and sold as surplus as outlined in the contract.

In response to a Board request for clarification on item number one on the category discounts, Patsy Best, Procurement and Payables Manager, explained that the discount shown on the materials is the discount rate off the list price for the category. The other numbers are a breakdown of the number of items offered in the categories with the discount. Grainger's headquarters are in Missouri, but the materials come from local facilities in Tacoma. In response to a Board inquiry on the same item regarding benefits of purchasing through cooperatives, Ms. Best explained that the Senior Buyer reaches out to all city divisions and does strategic sourcing and searches all cooperative contracts available to us and compares it to the discounts we would achieve by conducting competitive solicitations. In the case of this contract, the combined purchase power of the cooperatives is so great that contracts were pursued. We already purchase from Grainger's local Tacoma warehouse; this contract just provides better pricing. These are not mandatory contracts so local companies that have items available can be used as merchants.

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

D-2 Resolution U-10855 - Approve Declaration of Surplus Utility Specific Equipment no longer needed for Tacoma Power's current or future needs and authorize the sale of equipment to the highest responsive bidder.

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

Dale Loveland, Power Network Supervisor, summarized the resolution. As Tacoma Power upgrades the Cushman Switchyard #1 to meet reliability needs, the utility has determined the existing single-phase GSU transformers are no longer needed or necessary for continued normal operations.

In response to a Board inquiry regarding the \$200,000 threshold for scrap metal prices, Bill Fosbre, Chief Deputy City Attorney, explained the city's purchasing rules provides the Board an opportunity to review successful bidders if the value is over \$200,000. However, it is extremely rare for these materials to reach this threshold. The estimated market value of this particular lot is \$4,500 and the market will get an opportunity to bid.

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

D-3 Resolution U-10856 – Authorize a lease from the Weyerhaeuser Company to Tacoma Power for the existing communication site located at Mineral Hill in Lewis County, Washington.

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

Dylan Harrison, Real Estate Officer, summarized the resolution. In 1996 Tacoma Power entered into a 20 year agreement with Weyerhaeuser to construct, operate, and maintain a communication site on Weyerhaeuser property located at Mineral Hill in Lewis County. This site is an integral part of Tacoma Power's microwave loop protection system. This resolution requests to enter into a five year lease for \$92,910 (\$17,500 per year with three percent annual escalators). In response to a Board inquiry, regarding the extension options, Mr. Harrison explained that the previous lease was for 20 years with 10 year options. Moving to five year extensions allows flexibility if an alternative site is found.

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

H. Reports of the Director

There were no reports of the Director.

I. Comments by the Board

Board Member Jones mentioned the passing Skip Vaughn, who was a Public Utility Board Member from 1996 – 2001. Mr. Jones made positive remarks about Mr. Vaughn's service both to the Board and to the community at large.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:01 p.m. until Wednesday, April 27, 2016, 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