



APPROVED 3-23-16

MINUTES
City of Tacoma
Public Utility Board Meeting
February 24, 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, 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

Pat McCarty, Generation Manager, stated that Tacoma Power has been provided with the Outstanding Performance Award from the Department of Ecology for wastewater stewardship at Tacoma Power's parks. Brian Smith and Gary Lofton, Park Supervisors, who are certified wastewater treatment plant operators, presented the Board with the award.

Comments from the Public

Public comment was taken from ten individuals.

Ron Morrison expressed concern with water resources for humans instead of large industrial water users.

Billie Blattler expressed concern with methanol plant proposal and favors zoning the Port of Tacoma with citizen oversight.

Donna Walters expressed concern with water resources for the methanol plant.

Phillip Vendetti made positive remarks about the Community Solar project and favors renewable energy projects instead of the methanol project.

Evan Purcell requested clarification of TPU's role for power and water resources for the methanol plant.

Kit Burns requested the status of the Click! contract with the Internet Service Providers and voiced desire for the public to participate in the Click! engagement committee meetings.

Tim Monaghan made positive remarks about the Community Solar project and inquired about a customer charge for Fern Hill Square clock. Steve Hatcher, Customer Services Manager, met with Mr. Monaghan about his billing concerns.

Adam Martin expressed concern with water resources for the methanol plant and voiced support for the retention of Click! Network.

Lee Heath expressed concern about power and water resources for the methanol plant. Margareta Andreva expressed concern about power and water resources for the methanol plant.

Open public comment was closed at 7:02. The public comment sign-up sheet is appended as part of the record.

Chair Flint stated that the Board has not taken a stand on the topic of the proposed methanol plant and no decisions have been made. By law, TPU can't discriminate and must serve all legally permitted businesses. During the Environmental Impact Statement (EIS) preparation, TPU staff will analyze needs, impacts, and mitigation options for both power and water. There are no answers as that analysis has not been done yet. As part of the EIS process, TPU can provide answers about impacts to ratepayers. If permitted, these types of projects have contracts and those would come to the Board at some point, so the Board may have a role in the energy contract design and how it would mitigate rate impacts. Staff is thinking about the impact on rates and quality of service to ratepayers. Should the EIS go forward, TPU will endeavor to work as part of the process.

Consent Agenda

There were no items on the consent agenda.

Regular Agenda

D-1 Resolution U-10848 – Award contracts and approve purchases:

1. Increase and extend contract with Unify, Inc., for continued support and software maintenance of the Interactive Voice Response (IVR) system (\$95,000; cumulative total \$233,741, plus applicable sales tax);
2. Award three-year contract to General Pacific, Inc., for the purchase of PVC conduit stick pipe on an as-needed basis (\$262,587.08, plus the option for two additional one-year renewal periods for a cumulative total of \$442,931, plus sales tax);
3. Award contract to National Cable Television Cooperative, Inc., for costs associated with implementation of TiVo hardware and services (\$2,650,000, plus sales tax).

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

In response to a Board inquiry on item number one regarding why the requested increase isn't within the Director's authority, Bill Fosbre, Chief Deputy City Attorney stated that at the time the original contract was executed in 2008, it didn't have the current language about the Director's future authority and if originally executed today, it would be handled administratively.

In response to a Board request for clarification on item number two, Roberta Cox, Management Analyst, stated that General Pacific is a distributor and the bid is 45 percent below estimate because they did not provide pricing for the green telecom

conduit. However, their pricing is 20 percent lower on other items so it was beneficial to establish a contract and the remaining conduit will have an informal bid.

In response to a Board request regarding item number three, Tenzin Gyaltsen, Click! General Manager, provided background. This contract provides Click! with the opportunity to participate in new technology for set top boxes. Although the Click! Business plan is still pending, this would integrate into whatever business plan gets adopted and there is an exit clause plus an opportunity to transfer the contract to a third party. This is a superior product that has richer content and search functionality and integrates over the top content like Hulu and Netflix and allows viewing on mobile devices. The National Television Cable Cooperative, Inc., has negotiated a contract that no longer makes this option cost prohibitive. Upon Board request, Mr. Gyaltsen provided the following clarification. Risks are minimized due to a contract provision that allows for termination or signing over to a third party. This is an alternative set top box, not a launch of a new product. Marketing will include cross-channel promotional opportunities.

Kit Burns provided public comment on item number three concerning the need to execute a contract with significant costs quickly. In response, Chair Flint stated that the Board has received staff briefings. Mr. Gyaltsen added that the cost is distributed over a five-year period; the initial startup is \$65,000. Metrics show that Click! will meet the required contract threshold of a 20 percent penetration requirement over a five-year timeframe.

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

D-2 Resolution U-10849 – Authorize execution of a collective bargaining agreement negotiated between the City of Tacoma and the Teamsters Local Union No. 117, General Unit.

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

Mike Brock, Labor Negotiator, summarized the resolution. This four-year agreement covers approximately 46 full-time employees within TPU and calls for a wage increase of 2 percent retroactive to January 1, 2015; a wage increase of 1.1 percent effective January 1, 2016; a wage increase of 2 percent effective January 1, 2017; and an increase of 2.5 percent wage adjustment effective January 1, 2015. Council approval is required.

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

D-3 Resolution U-10850 – Authorize execution of a Letter of Understanding negotiated between the City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit.

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

Tara Schaak, Labor Negotiator, summarized the resolution. This letter of understanding confirms an agreement reached between the parties regarding the creation of the Hydro Project Electrician, Apprentice and Hydro Project Mechanic Apprentice classifications. It also provides for the rate of pay for the classifications to be effective April 1, 2016 and

agrees that the City will incorporate them into collective bargaining agreements with IBEW. Council approval is required.

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 reported on a recent meeting with former Tacoma Mayor, Bill Baarsma, wherein Mr. Baarsma expressed his appreciation for the system flexibility, readiness, and maintenance of the three operating divisions.

Board Members Trudnowski and Patterson made positive remarks about the annual service awards held on February 19.

Board Chair Flint provided an update on the Community Solar units that went on sale on Tuesday, February 23 at 9:00 a.m. By 4:00 on Wednesday, February 24, 6,900 or 66 percent of the solar units were sold. There were 1,600 rate payers preregistered and 40 percent of those followed through on the purchase. The plan going forward is to work with those who have preregistered and provide an opportunity to purchase units. After that, any remaining units will be opened up more broadly by either increasing the amount of units that can be sold or allowing more registrations.

J. Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 7:34 p.m. until Wednesday, March 9, 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