



RESOLUTION NO. U-10953

1 A RESOLUTION related to the purchase of materials, supplies, equipment
2 and the furnishing of services; authorizing the City officials to enter into
3 contracts and, where specified, waive competitive bidding requirements,
4 authorize sale of surplus property, or increase or extend existing
5 agreements.

6 WHEREAS the City of Tacoma, Department of Public Utilities, requested
7 bids/proposals for the purchase of certain materials, supplies, equipment and/or
8 the furnishing of certain services, or proposes to purchase off an agreement
9 previously competitively bid and entered into by another governmental entity, or
10 for the sales of surplus, or desires to increase and/or extend an existing
11 agreement, all as explained by the attached Exhibit "A," which by this reference
12 is incorporated herein, and

13 WHEREAS in response thereto, bids/proposals (or prices from another
14 governmental agreement) were received, all as evidenced by Exhibit "A," and

15 WHEREAS the Board of Contracts and Awards and/or the requesting
16 division have heretofore made their recommendations, which may include
17 waiver of the formal competitive bid process because it was not practicable to
18 follow said process, or because the purchase is from a single source, or there is
19 an emergency that requires such waiver, and/or waiver of minor deviations, and
20 in the case of sale of surplus, a declaration of surplus has been made certifying
21 that said items are no longer essential for continued effective utility service, as
22 explained in Exhibit "A," and
23
24
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WHEREAS the Director requests authorization, pursuant to
TMC 1.06.269 A, to amend contract amounts up to \$200,000 and to approve
term extensions and renewals for all items contained in Exhibit "A;" Now,
therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the Public Utility Board of the City of Tacoma hereby concurs and
approves the recommendations of the Board of Contracts and Awards and/or
the requesting division, and approves, as appropriate: (1) the purchase and/or
furnishing of those materials, supplies, equipment or services recommended for
acceptance; (2) the sale of surplus materials, supplies or equipment
recommended for acceptance; (3) the Interlocal agreement that authorizes
purchase off another governmental entity's contract; (4) the increase and/or
extension of an existing agreement, and said matters may include waiver of the
formal competitive bid process and/or waiver of minor deviations, all as set forth
on Exhibit "A," and authorizes the execution, delivery and implementation of
appropriate notices, contracts and documents by the proper officers of the City
for said transactions, and (5) the administrative authority of the Director, per
TMC 1.06.269 A., to amend contract amounts up to \$200,000 and to approve
term extensions and contract renewals for all items in Exhibit "A."

Approved as to form and legality:



Chief Deputy City Attorney

Chair

Secretary

Adopted

Clerk



City of Tacoma
Finance

EXHIBIT "A"

RESOLUTION NO.: U-10953
ITEM NO.: #1
MEETING DATE: 09/13/2017

DATE: 08/16/2017
TO: Board of Contracts and Awards
SUBJECT: Citywide Contract for Furniture and Related Services
Budgeted from various dept. funds
Cooperative Contract with U.S. Communities Contract No. 4400003403, SAP
Contract No. 4600010808

RECOMMENDATION: The Finance Department, Procurement and Payables Division recommends approval to increase Contract No. 4600010808 to Business Interiors Northwest (BINW), Tacoma, WA, in the amount of \$2,200,000 plus applicable sales tax for the as needed purchase of Herman Miller furniture and related services. This will bring the contract to a cumulative total of \$4,200,000 plus applicable sales tax.

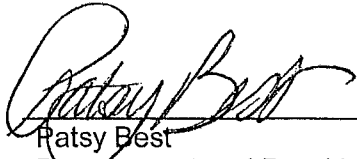
EXPLANATION: This contract was originally executed in June of 2015 for \$2,000,000 for citywide use. The initial value was based on historical usage. Due to large furniture purchases to furnish new offices and remodel existing offices, the contract will run out of funds prior to its expiration date. The increase of funds will ensure contract usability until its expiration date of May 31, 2020. By creating a citywide contract for furniture, we are able to take advantage of the volume discount of the US Communities National Contract.

COMPETITIVE SOLICITATION: This contract was originally awarded to BINW as a result of a Cooperative Agreement with U.S. Communities Contract No. 4400003403 resulting from the RFP No. 2000000330 completed in July 2012. U.S. Communities Contract No. 4400003403 was a competitively solicited contract valid until December 31, 2016 with options of four (4) one (1) year extensions and includes the Herman Miller furniture and services. The County of Fairfax, Virginia, was the lead agency issuing the solicitation on behalf of U.S. Communities Government Purchasing Alliance. Sixteen submittals were received on July 26, 2012. This contract meets Tacoma's competitive solicitation requirements by means of an interlocal cooperative purchasing agreement with U.S. Communities Government Purchasing Alliance. The contract language allows City of Tacoma to incorporate its own standard terms and conditions, including payment by procurement card. The contract offers discount tiers for volume purchases, various delivery options, best price guarantee, no minimum purchase requirement, an extensive sustainable furniture portfolio and no cost to use the contract. Business Interiors Northwest (BINW), located in Tacoma, is the exclusive Herman Miller authorized distributor in our area.

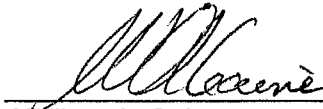
CONTRACT HISTORY: This contract was originally executed in June 2015 for \$2,000,000 for citywide use. This will be the first amendment to the contract.

FUNDING: Funds for this are available in various dept. funds. Funding beyond the current biennium is subject to future availability of funds.

PROJECT ENGINEER/COORDINATOR: Kimberly Ward, Senior Buyer, (253)502-8250



Patsy Best
Procurement and Payables Division Manager



William A. Gaines
Director of Utilities/CEO

cc: Kimberly Ward, Finance/Purchasing
SBE Coordinator
LEAP Coordinator

FINANCE PURCHASING
SEP 1 2017 10:41:28



City of Tacoma
Finance

EXHIBIT "A"

RESOLUTION NO.: U-10953

ITEM NO.: #2

MEETING DATE: 09/13/2017

DATE: 8/11/2017

TO: Board of Contracts and Awards

SUBJECT: Citywide Contract-NAPA Automotive Parts
Budgeted from various dept. funds
Cooperative Contract with Washington State DES Contract No. #01809
Contract No. 4600012403

RECOMMENDATION: The Finance Department, Procurement and Payables Division requests approval to increase Contract No. 4600012403 to **Standard Parts Corp. Fife, WA** by \$200,000, plus sales tax, for the as-needed purchase of automotive parts. This increase will bring the contract to a cumulative total of \$400,000, plus sales tax.

EXPLANATION: This contract provides for the as needed purchase of automotive parts to all city departments and divisions. The current citywide contract is valid through August 9, 2018, but will run out of funds prior to the expiration. The City was already purchasing from NAPA without contract pricing. Piggybacking off this agreement allows the city to purchase what they were already purchasing, but at a lower cost. Standard Parts Corp can provide service to the city through two local stores.

COMPETITIVE SOLICITATION: This contract was originally awarded to Standard Parts Corp as a result of a Cooperative Agreement with the Washington's State Department of Enterprise Contract No. 01809 resulting from the statewide Specification No. 01809 in July 2009. The contractor has agreed to increase the contract at the same prices, terms, and conditions as the original contract.

CONTRACT HISTORY: This contract was originally executed in April 2017 for \$200,000 for citywide use in addition to three pre-existing department contracts (4600006862, 4600008981, & 4600011725.) With the transition to Ariba, the department level contracts will be closing. All purchases will be made under the citywide contract resulting in a need for more funds to ensure contract usability until its expiration date of August 9, 2018. This increase will bring the contract to a cumulative total of \$400,000, plus sales tax. This is the first amendment to the contract.

FUNDING: Funds for this are available in various individual division budgets that will utilize this contract

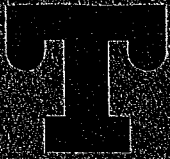
PROJECT ENGINEER/COORDINATOR: Kimberly Ward, Senior Buyer, (253) 502-8250.

Patsy Best
Procurement and Payables Division Manager

William A. Gaines
Director of Utilities/CEO

cc: Kimberly Ward Finance/Purchasing
SBE Coordinator
LEAP Coordinator

FINANCE PURCHASING
SEP 1 2017 10:41:34



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A"

RESOLUTION NO.: U-10953
ITEM NO.: #3
MEETING DATE: SEPTEMBER 13, 2017

DATE: August 31, 2017
TO: Board of Contracts and Awards
SUBJECT: Purchase of Motor Vehicles
Budgeted from the Power, Water and Rail Divisions and Fleet Services Fund
WA State Contract No. 05916

RECOMMENDATION: Tacoma Public Utilities (TPU) Fleet Services recommends contracts be awarded to the following listed vendors for the purchase of various new motor vehicles planned for replacement in 2017-2018:

Vendor	Location	Amount (plus applicable sales tax)
1. Columbia Ford Lincoln	Longview, WA	\$1,730,000.00
2. Northsound Auto Group LLC	Everett, WA	\$ 960,000.00

The contract amounts requested are the total estimated replacement costs that include the base price plus options planned for these new vehicle purchases. These contracts combined reflect a total award of \$2,690,000.00, plus applicable sales tax.

EXPLANATION: The new vehicles (detailed on the attached list), will be assigned across TPU divisions for workgroups to use in fulfilling work responsibilities throughout our service area to include outlying site locations such as Water's Green River Watershed and McMillin Reservoir; Power's Cowlitz, Nisqually, Wynoochee, and Cushman Projects. The new vehicles will replace existing vehicles subject to Fleet replacement criteria, which addresses a combination of mileage, age, mechanical condition, and job suitability.

The typical replacement criterion has been ten years or 100,000 miles for light-duty equipment. These are very general guidelines and Fleet Services works with the assigned workgroups to determine the actual replacement schedule based on use, specific maintenance issues, changes in technology, changes in work needs, etc. The vehicles replaced may end up being assigned to other work areas or will be sold at public auction using City surplus procedures.

COMPETITIVE SOLICITATION: These contracts were awarded by vehicle category types as a result of State of Washington Invitation for Bid 05916. The contract term is January 5, 2017 through January 5, 2021, and has options to extend with a final term end date of January 5, 2025, pending the State's approval. The vehicles are ordered with specified options as needed however, are subject to an order cutoff date determined by the various vehicle-manufacturing companies in order to meet model year production.

Through an interlocal cooperative purchasing agreement, the City of Tacoma purchases will be at State contract prices and terms, and meet competitive bidding requirements. Utilizing this State contract is the most cost-effective means as price concessions received by the State exceed those TPU would receive as a single entity. This is due to the high quantity of purchases made by State agencies, as well as municipalities and other government agencies.

CONTRACT HISTORY: New contract.



FUNDING: Funds for this are available in the 2017-2018 budget of the Department of Public Utilities for the Power, Water and Rail Divisions and the Fleet Services Fund.

SBE/LEAP COMPLIANCE: Not applicable.

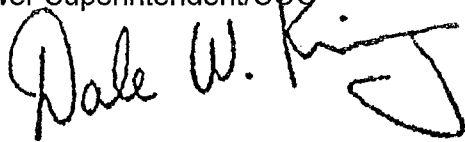
PROJECT ENGINEER/COORDINATOR: Don Ashmore, Utilities Fleet Manager, Transmission & Distribution Fleet Services, 253-502-8575.



Chris Robinson
Power Superintendent/COO



Interim Water Superintendent



Dale King, Superintendent
Rail Superintendent

APPROVED:



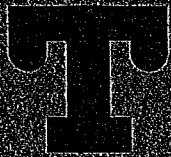
William A. Gaines
Director of Utilities/CEO

cc: Doreen Klaaskate, Senior Buyer, Finance/Purchasing
Dolores Stegeman, Transmission & Distribution Manager
Don Gesch, Transmission & Distribution Assistant Manager
SBE Coordinator
LEAP Coordinator

File: Report of Planned Vehicles

WA State Contract - Columbia Ford							
Equipment	SortID	Description	Planned Make	Planned Model	Functional Location - Cost Center	Repl Year	Estimated Cost
7112610	Z04235	03 FORD F250 PU SD XC 3/4T 4X4	Ford	F250	FM-U-FS-C-PWR -TD -563400	2017	\$40,000.00
7112385	Z03979	99 GMC TP31842 STEP VAN 1T	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563400	2017	\$97,000.00
7118346		10 FORD ESCAPE HEV SUV 4X4	Ford	Escape	FM-U-FS-C-PWR -TD -563302	2018	\$30,000.00
7112373	Z03966	99 FORD ECONOLINE HI CUBE VAN	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563300TS	2017	\$97,000.00
7116554		06 FORD E450 SD HI CUBE VAN	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563300TS	2017	\$97,000.00
7118361		10 FORD ESCAPE HEV SUV 4X4	Ford	Explorer	FM-U-FS-C-SDIV-ADMIN -575700	2018	\$36,000.00
7116551		06 FORD E450 HI CUBE VAN	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563300TS	2017	\$97,000.00
7116550		06 FORD E450 HI CUBE VAN	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563300TS	2017	\$97,000.00
7116943		08 FORD ESCAPE HEV SUV 4X4	Ford	Escape	FM-U-FS-C-PWR -TD -569600	2018	\$33,000.00
7117420		08 CHEV UPLANDER CARGO VAN	Ford	Expedition	FM-U-FS-C-PWR -TD -565300	2018	\$54,000.00
7116553		06 FORD E350 HI CUBE VAN	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563300NW	2017	\$97,000.00
7112494	Z04095	03 FORD E450 VAN HI CUBE 1T	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563300NW	2017	\$97,000.00
7116549		06 FORD E450 HI CUBE VAN	Ford	F550/TriVan Body	FM-U-FS-C-PWR -TD -563300DS	2017	\$97,000.00
7112282	Z03856	99 FORD F350 TRK SBDY 1T ---	Ford	F350	FM-U-FS-C-PWR -TD -562700	2018	\$60,000.00
7112212	Z03778	98 FORD E350 HI CUBE VAN 1T	Ford	F550	FM-U-FS-C-PWR -UTS -563200	2018	\$145,462.00
7119612		12 DODGE RAM 1500 PU XC 1/2T 4X4	Ford	F150	FM-U-FS-C-RAIL-F4500 -592101	2018	\$32,000.00
7117400		09 FORD ESCAPE HEV SUV 4X4	Ford	Explorer	FM-U-FS-C-WTR -QUAL -583100	2017	\$36,000.00
7119613		12 DODGE RAM 1500 PU XC 1/2T 4X4	Ford	F150	FM-U-FS-C-RAIL-F4500 -592101	2018	\$32,000.00
7119614		12 DODGE RAM 1500 PU XC 1/2T 4X4	Ford	F150	FM-U-FS-C-RAIL-F4500 -592101	2018	\$32,000.00
7112601	Z04223	03 FORD F350 SD TRK CC DUMP BED 1T	Ford	F350	FM-U-FS-C-PWR -GEN -566800	2017	\$45,000.00
7112134	Z03951	99 FORD RANGER PU EX 4X4	Ford	F150	FM-U-FS-C-PWR -GEN -561400	2017	\$32,000.00
7116932		08 FORD F350 1T PICKUP XC 4X4	Ford	F250	FM-U-FS-C-PWR -GEN -561400	2017	\$34,000.00
7115249		02 CHEV SILVERADO PU XC SB	Ford	F350	FM-U-FS-C-PWR -GEN -561400	2017	\$36,000.00
7115109	Z04279	04 FORD F250 SD SC PU 4X4	Ford	F250	FM-U-FS-C-PWR -GEN -566800	2017	\$48,000.00
7112140	Z04135	02 FORD F350 TRK CC 1T--	Ford	F350	FM-U-FS-C-PWR -GEN -566500	2017	\$45,000.00
7116413		07 FORD RANGER PU XC 4X4	Ford	F250	FM-U-FS-C-PWR -GEN -566400	2018	\$34,000.00
7112540	Z04150	03 FORD F550 VAN HI CUBE 1-1/2T	Ford	F550	FM-U-FS-C-PWR -GEN -563800	2017	\$49,000.00
7112606	Z04228	03 CHEV SILVERADO PU XC 4X4	Ford	F250	FM-U-FS-C-PWR -GEN -566400	2017	\$32,000.00
7115589		05 CHEV TRAILBLAZER SUV 4X4	Ford	F150	FM-U-FS-C-PWR -GEN -567200	2018	\$33,000.00
7115030	Z04278	04 FORD F250 SD SC PU 4X4	Ford	F250	FM-U-FS-C-PWR -GEN -566700	2017	\$34,000.00

WA State Contract - Northsound Auto Group LLC							
Equipment Add	SortID	Description	Planned Make	Planned Model	Functional Location - Cost Center	Repl Year	Estimated Cost
		Dodge Promaster HR	Dodge	Promaster			\$49,000.00
7112392	Z03986	00 FORD F350 TRK SBDY 1T	Dodge	Promaster	FM-U-FS-C-PWR -TD -563300TS	2017	\$60,000.00
7118349		10 FORD TRANSIT CONNECT MINI CARGO VA	Dodge	Promaster	FM-U-FS-C-WTR -DIST -582400	2017	\$48,000.00
7118350		10 FORD TRANSIT CONNECT MINI CARGO VA	Dodge	Promaster	FM-U-FS-C-WTR -DIST -582400	2017	\$48,000.00
7112496	Z04097	03 FORD E450 SD VAN HI CUBE 1T	Dodge	Promaster	FM-U-FS-C-PWR -TD -563300NW	2017	\$60,000.00
7112286	Z03860	98 CHEV G35 CARGO VAN 1T---	Dodge	Promaster	FM-U-FS-C-PWR -TD -562700	2018	\$60,000.00
7112598	Z04220	03 CHEV ASTRO MINI VAN	Dodge	Promaster	FM-U-FS-C-PWR -ES -562400	2017	\$38,000.00
7115121	Z04310	04 FORD ECONOLINE E250 CARGO VAN	Dodge	Promaster	FM-U-FS-C-PWR -UTS -563200	2018	\$43,000.00
7115120	Z04309	05 DODGE CARAVAN CARGO	Dodge	Promaster	FM-U-FS-C-PWR -UTS -563200	2018	\$43,000.00
7115576		05 CHEV UPLANDER CARGO VAN 1/2T	Dodge	Promaster	FM-U-FS-C-PWR -UTS -563200	2018	\$43,000.00
7112497	Z04098	02 CHEV G25 CARGO VAN 3/4T	Dodge	Promaster	FM-U-FS-C-PWR -UTS -563200	2018	\$43,000.00
7112305	Z03879	98 CHEV G35 CARGO VAN 1T	Dodge	Promaster	FM-U-FS-C-PWR -UTS -563200	2017	\$43,000.00
7116818		08 FORD SD F550 TRK SBDY 4X4	Dodge	Promaster	FM-U-FS-C-WTR -SPLY -584400	2017	\$86,314.00
7117403		09 FORD ESCAPE HEV SUV 4X4 Dodge	Dodge	Promaster	FM-U-FS-C-WTR -QUAL -583100	2017	\$50,000.00
7117401		09 FORD ESCAPE HEV SUV 4X4	Dodge	Promaster	FM-U-FS-C-WTR -QUAL -583100	2017	\$50,000.00
7117402		09 FORD ESCAPE HEV SUV 4X4	Dodge	Promaster	FM-U-FS-C-WTR -QUAL -583100	2017	\$50,000.00
7115611		05 CHEV TRAILBLAZER SUV 4X4	Dodge	Promaster	FM-U-FS-C-PWR -TD -563700	2017	\$53,000.00
7117404		09 FORD ESCAPE HEV SUV 4X4	Dodge	Promaster	FM-U-FS-C-WTR -QUAL -583100	2017	\$50,000.00
7112492	Z04093	01 CHEV EXPRESS G25 CARGO VAN 3/4T	Dodge	Promaster	FM-U-FS-C-PWR -GEN -563800	2018	\$40,000.00



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A"

RESOLUTION NO.: U-10953
ITEM NO.: #4
MEETING DATE: SEPTEMBER 13, 2017

DATE: August 31, 2017
TO: Board of Contracts and Awards
SUBJECT: Purchase of Vehicles
Budgeted from the Power, Water and Rail Divisions and Fleet Services Fund
National Joint Powers Alliance (NJPA) Contract 120716 - NAF

RECOMMENDATION: Tacoma Public Utilities (TPU) Fleet Services recommends a contract be awarded to **72 Hour LLC dba National Auto Fleet Group**, Watsonville, CA, for the purchase of various new vehicles planned for replacement in 2017-2018. The contract amount requested is the total estimated replacement costs that include the base price plus options planned for these new vehicle purchases. The contract amount reflects a total award of \$1,720,000.00, plus applicable sales tax.

EXPLANATION: The new vehicles (detailed on the attached list), will be assigned across TPU divisions for workgroups to use in fulfilling work responsibilities throughout our service area to include outlying site locations such as Water's Green River Watershed and McMillin Reservoir; Power's Cowlitz, Nisqually, Wynoochee, and Cushman Projects. The new vehicles will replace existing vehicles subject to Fleet replacement criteria, which addresses a combination of mileage, age, mechanical condition, and job suitability.

The typical replacement criterion has been ten years or 100,000 miles for light-duty equipment. These are very general guidelines and Fleet Services works with the assigned workgroups to determine the actual replacement schedule based on use, specific maintenance issues, changes in technology, changes in work needs, etc. The vehicles replaced may end up being assigned to other work areas or will be sold at public auction using City surplus procedures.

COMPETITIVE SOLICITATION: This contract was awarded to 72 Hour LLC dba National Auto Fleet Group, as a result of Request for Proposals 120716 conducted by the National Joint Powers Alliance (NJPA) in December, 2016. The Contract term is January 17, 2017 through January 17, 2021 with the option to extend for a fifth year at NJPA's discretion. The vehicles are ordered with specified options as needed however, are subject to an order cutoff date determined by the various vehicle-manufacturing companies in order to meet model year production.

National Joint Powers Alliance (NJPA) is a municipal contracting government agency that services thousands of government agencies nationally. NJPA offers a multitude of cooperatively contracted products, equipment and service opportunities, which are awarded through a competitive bidding process.



Through NJPA Membership Number 97380, Tacoma Public Utilities may purchase from various contracts that offer a significant discount.

The City is saving between 15.83% - 44.85% on these purchases by utilizing this contract.



CONTRACT HISTORY: New contract.



FUNDING: Funds for this are available in the 2017-2018 budget of the Department of Public Utilities for the Power, Water and Rail Divisions and the Fleet Services Fund.

SBE/LEAP COMPLIANCE: Not applicable.

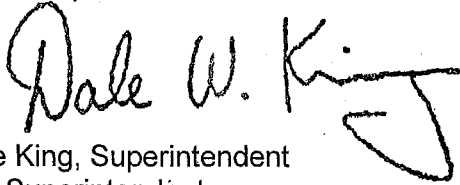
PROJECT ENGINEER/COORDINATOR: Don Ashmore, Utilities Fleet Manager, Transmission & Distribution Fleet Services, 253-502-8575.



Chris Robinson
Power Superintendent/COO



Interim Water Superintendent



Dale King, Superintendent
Rail Superintendent

APPROVED:



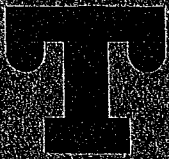
William A. Gaines
Director of Utilities/CEO

cc: Doreen Klaaskate, Senior Buyer, Finance/Purchasing
Dolores Stegeman, Transmission & Distribution Manager
Don Gesch, Transmission & Distribution Assistant Manager
SBE Coordinator
LEAP Coordinator

File: Report of Planned Trailers

NJPA Contract - 72 Hour LLC dba National Auto Fleet Group

Equipment	SortID	Description	Functional Location - Cost Center	Planned Make	Planned Model	Repl Year	Estimated Cost
7118345		10 FORD ESCAPE HEV SUV 4X4	FM-U-FS-C-PWR -TD -563400	Toyota	RAV 4 HEV	2018	\$30,000.00
7118344		10 FORD ESCAPE HEV SUV 4X4	FM-U-FS-C-PWR -TD -563400	Toyota	RAV 4 HEV	2018	\$30,000.00
7118343		10 FORD ESCAPE HEV SUV 4X4	FM-U-FS-C-PWR -TD -563400	Toyota	RAV 4 HEV	2018	\$30,000.00
7116937		07 CHEV COLORADO PU XC 4X4	FM-U-FS-C-PWR -TD -563400	Toyota	Highlander	2017	\$36,000.00
7116934		07 CHEV COLORADO PU XC 4X4	FM-U-FS-C-PWR -TD -563400	Toyota	Highlander	2017	\$36,000.00
7115588		05 CHEV TRAILBLAZER SUV 4X4	FM-U-FS-C-PWR -TD -563400	Toyota	Highlander	2017	\$36,000.00
7112338	Z03918	99 CHEV ASTRO CARGO VAN	FM-U-FS-C-PWR -CLK -555400	Ford	Transit HEV	2017	\$60,000.00
7116442		06 CHEV COLORADO PU XC 4X4	FM-U-FS-C-PWR -CLK -555400	Ford	Transit HEV	2017	\$60,000.00
7114688	Z04202	03 WKHRS P31442 STEP VAN ARL VRSALFT	FM-U-FS-C-PWR -CLK -555300	Ford	F450 Cutaway Aerial	2017	\$150,000.00
7112435	Z04030	00 CHEV G35 VAN ARL VRSALFT	FM-U-FS-C-PWR -CLK -555300	Ford	Transit	2017	\$75,300.00
7112238	Z03808	98 CHEV G3500 VAN ARL VRSALFT	FM-U-FS-C-PWR -CLK -555300	Ford	Transit	2017	\$75,300.00
7112237	Z03807	98 CHEV G3500 VAN ARL VRSALFT	FM-U-FS-C-PWR -CLK -555300	Ford	F450 Cutaway Aerial	2017	\$150,000.00
7112264	Z03838	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112248	Z03822	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112245	Z03819	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112243	Z03817	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112242	Z03816	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7116931		07 FORD EXPEDITION SUV 4X4	FM-U-FS-C-PWR -GEN -561400	Toyota	Highlander	2018	\$36,000.00
7112126	Z03812	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112125	Z03811	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112124	Z03810	98 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112430	Z04025	00 CHEV G25 CARGO VAN 3/4T	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$60,000.00
7112233	Z03803	98 CHEV G3500 VAN ARL VRSALFT	FM-U-FS-C-PWR -CLK -553500	Ford	Transit	2017	\$75,300.00
7112278	Z03852	99 FORD F450 TRK ARL	FM-U-FS-C-PWR -CLK -553500	Ford	Transit HEV	2017	\$75,300.00
7114979		03 CHEV ASTRO VAN	FM-U-FS-C-PWR -CLK -552200	Ford	Transit HEV	2017	\$60,000.00
7115589		05 CHEV TRAILBLAZER SUV 4X4	FM-U-FS-C-PWR -GEN -567200	Toyota	Highlander	2018	\$36,000.00
7112471	Z04071	02 FORD FOCUS SW	FM-U-FS-C-PWR -CLK -552200	Toyota	RAV 4 HEV	2017	\$30,000.00
7115721		03 CHEV SILVERADO PU CC 3/4T 4X4 HYRAIL	FM-U-FS-C-RAIL-F4500 -592302	Chevrolet	3500 HD	2017	\$65,000.00
7117342		08 FORD RANGER PU SC	FM-U-FS-C-PWR -GEN -566500	Toyota	RAV 4 HEV	2018	\$30,000.00



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A"

RESOLUTION NO.: U-10953
ITEM NO.: #5
MEETING DATE: SEPTEMBER 13, 2017

DATE: August 31, 2017

TO: Board of Contracts and Awards

SUBJECT: Purchase of Aerial Device Truck Bodies
Budgeted from the Power Division and Fleet Services Fund
National Joint Powers Alliance (NJPA) Contract 042815 - TER

RECOMMENDATION: Tacoma Public Utilities (TPU) Fleet Services recommends a contract be awarded to **Terex Utilities, Inc., White House, TN**, for the purchase of three (3) new Terex Hi-Ranger HRX55 aerial device truck bodies. The contract amount reflects a total award of \$574,845.00, plus applicable sales tax.

EXPLANATION: These new aerial device truck bodies will be installed on new City-owned chassis to complete the unit as what is also known as a bucket truck.

The new units will be assigned to Tacoma Power's Transmission & Distribution section's Line group and will be used for timely response to emergencies and power outages as well as various maintenance and construction projects throughout Tacoma Power's service area.

The new units will replace existing units that comply with Fleet replacement criteria, which addresses a combination of mileage, age, mechanical condition, and job suitability. The units being replaced will be sold at public auction using City surplus procedures.

COMPETITIVE SOLICITATION: This contract was awarded to Terex Utilities, Inc., as a result of Request for Proposals 042815 conducted by the National Joint Powers Alliance (NJPA) in April, 2015. The Contract term is May 19, 2015 through May 19, 2019 with the option to extend for a fifth year at NJPA's discretion. This contract can be used on an as-needed basis.

National Joint Powers Alliance (NJPA) is municipal contracting government agency that services thousands of government agencies nationally. NJPA offers a multitude of cooperatively contracted products, equipment and service opportunities, which are awarded through a competitive bidding process.

Through NJPA Membership Number 97380, Tacoma Public Utilities may purchase from various contracts that offer a significant discount.

The City is saving 8% on this purchase by utilizing this contract.

CONTRACT HISTORY: New contract.

FUNDING: Funds for this are available in the 2017-2018 budget of the Department of Public Utilities for the Power and the Fleet Services Fund.

SBE/LEAP COMPLIANCE: Not applicable.



PROJECT ENGINEER/COORDINATOR: Don Ashmore, Utilities Fleet Manager, Transmission & Distribution Fleet Services, 253-502-8575.



Chris Robinson
Power Superintendent/COO

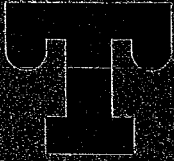
APPROVED:



William A. Gaines
Director of Utilities/CEO

cc: Doreen Klaaskate, Senior Buyer, Finance/Purchasing
Dolores Stegeman, Transmission & Distribution Manager
Don Gesch, Transmission & Distribution Assistant Manager
SBE Coordinator
LEAP Coordinator

File: Report of Planned Trailers



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A"

RESOLUTION NO.:

U-10953

ITEM NO.:

#6

MEETING DATE:

SEPTEMBER 13, 2017

DATE: August 29, 2017

TO: Board of Contracts and Awards

SUBJECT: Purchase of Trailers (Various Sizes)
Budgeted from the Power, Water and Rail Divisions and Fleet Services Fund
WA State Contract No. 00816

RECOMMENDATION: Tacoma Public Utilities (TPU) Fleet Services recommends a contract be awarded to **Fine Family LLC dba Trailer Boss, Olympia, WA**, for the purchase of various new trailers planned for replacement in 2017-2021. The contract amount requested is a rounded total of estimated replacement costs that include the base price plus options planned for these new trailer purchases. The contract amount reflects a total award of \$682,614.50, plus applicable sales tax.

EXPLANATION: The trailers (detailed in the attached report), will be assigned across TPU divisions for workgroups to use in support of maintenance and construction projects throughout our service area to include outlying site locations such as Water's Green River Watershed and McMillin Reservoir; Power's Cowlitz, Nisqually, Wynoochee, and Cushman Projects.

The new trailers will replace existing units subject to Fleet replacement criteria, which addresses a combination of mileage, age, mechanical condition, and job suitability. The units being replaced will be sold at public auction using City surplus procedures.

COMPETITIVE SOLICITATION: This contract was awarded to Fine Family LLC dba Trailer Boss, as a result of State of Washington Invitation for Bid 00816, which was solicited in 2016. The contract term is January 9, 2017 through December 31, 2024.

Through an interlocal cooperative purchasing agreement, the City of Tacoma purchases will be at State contract prices and terms, and meet competitive bidding requirements. Utilizing this State contract is the most cost-effective means as price concessions received by the State exceed those TPU would receive as a single entity. This is due to the high quantity of purchases made by State agencies, as well as municipalities and other government agencies.

The City is saving between 1% - 6% percent on these purchases by utilizing the State contract.

CONTRACT HISTORY: New contract.

FUNDING: Funds for this are available in the 2017-2018 budget of the Department of Public Utilities for the Power, Water and Rail Divisions and the Fleet Services Fund. The planned purchases past the current biennium will be dependent on budget approval.

SBE/LEAP COMPLIANCE: Not applicable.



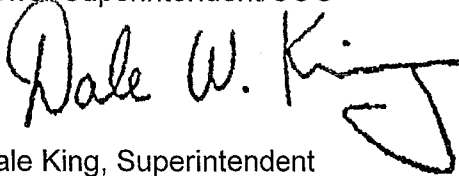
PROJECT ENGINEER/COORDINATOR: Don Ashmore, Utilities Fleet Manager, Transmission & Distribution Fleet Services, 253-502-8575.



Chris Robinson
Power Superintendent/COO



Interim Water Superintendent



Dale King, Superintendent
Rail Superintendent

APPROVED:



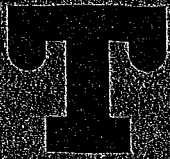
William A. Gaines
Director of Utilities/CEO

cc: Doreen Klaaskate, Senior Buyer, Finance/Purchasing
Dolores Stegeman, Transmission & Distribution Manager
Don Gesch, Transmission & Distribution Assistant Manager
SBE Coordinator
LEAP Coordinator

File: Report of Planned Trailers

WA State Contract - (Trailers Various Sizes)					
Equipment	Sort field	Description	Functional Location - Cost Center	Repl Year	Estimated Cost
7111964	Z03502	94 GNTHR 8'X14' TRL UTIL	FM-U-FS-C-WTR-SPLY -584400	2018	\$6,600.00
7112624	Z04256	03 OLYMP 20TDT-2+4 TRL FB	FM-U-FS-C-WTR-SPLY -584400	2018	\$27,500.00
7112322	Z03898	99 SPECT CUSTOM TRL 2x	FM-U-FS-C-PWR-GEN -566900	2018	\$6,000.00
7112411	Z04005	99 SPECT CUSTOM TRL FB	FM-U-FS-C-PWR-TD -563400	2018	\$6,000.00
7116039		05 PJ SA081 UTIL TRL	FM-U-FS-C-PWR-TD -563400	2021	\$2,750.00
7116040		05 PJ SA081 UTIL TRL	FM-U-FS-C-PWR-TD -563400	2021	\$2,750.00
7111331	Z03067	90 WELLS AW202-102 TRL OIL RESPONSE	FM-U-FS-C-PWR-TD -563300TS	2021	\$12,688.50
7111343	Z03624	97 TRMAX TD-24-FBR TRL FB 2x tilt flat	FM-U-FS-C-WTR-DIST -582400	2021	\$27,500.00
7111894	Z03400	94 T-EZE D20T24 TRL TILT BED	FM-U-FS-C-WTR-DIST -582400	2018	\$27,500.00
7111956	Z03494	94 GNTHR 8'X14' TRL UTIL Flat bed 2x	FM-U-FS-C-WTR-DIST -582400	2021	\$8,024.50
7111957	Z03495	94 GNTHR 8'X14' TRL UTIL	FM-U-FS-C-WTR-DIST -582400	2021	\$8,024.50
7111958	Z03496	94 GNTHR 8'X14' TRL UTIL	FM-U-FS-C-WTR-DIST -582400	2021	\$8,024.50
7111959	Z03497	94 GNTHR 8'X14' TRL UTIL	FM-U-FS-C-WTR-DIST -582400	2021	\$8,024.50
7111961	Z03499	94 FWTLR T-10 TRL FB	FM-U-FS-C-PWR-GEN -566800	2018	\$6,000.00
7112065	Z03632	97 TRMAX TD-24-FBR TRL FB	FM-U-FS-C-WTR-DIST -582400	2021	\$27,500.00
7112100	Z03673	95 NWCTL T-10 TRL FB	FM-U-FS-C-PWR-GEN -565700	2021	\$5,054.50
7112101	Z03674	95 WELLS EW2024 TRL	FM-U-FS-C-PWR-TD -563300DS	2021	\$16,060.00
7112110	Z03692	96 BIGTX 50TV-14 TRL 14FT	FM-U-FS-C-PWR-GEN -568800	2021	\$10,780.00
7112132	Z03949	99 WELLS CW122-102 TRL CARGO 2x cargo	FM-U-FS-C-PWR-GEN -568800	2021	\$5,643.00
7112163	Z03718	97 TRMAX TD-24-FBR TRL FB 2x 1/2 cargo	FM-U-FS-C-PWR-GEN -568800	2021	\$7,480.00
7112170	Z03726	97 FWTLR UT612T TRL TLT BED	FM-U-FS-C-PWR-GEN -568700	2021	\$5,054.50
7112314	Z03889	98 OLYMP 30TDT-3 TRL FB	FM-U-FS-C-PWR-GEN -566100	2021	\$30,250.00
7112408	Z04002	99 OLYMP 20TFB-2 TRL BKH	FM-U-FS-C-PWR-TD -563400	2021	\$27,500.00
7112409	Z04003	99 WELLS AW2024 TRL CARGO	FM-U-FS-C-PWR-TD -563400	2021	\$16,060.00
7112412	Z04006	00 OLYMP 30TDT-3 TRLFB TILT BED	FM-U-FS-C-WTR-TD -563400	2021	\$27,500.00
7112456	Z04056	00 OLYMP 20TDT-2 TRL FB	FM-U-FS-C-WTR-DIST -582400	2018	\$27,500.00
7112459	Z04059	00 OLYMP OM12-2E TRL TILT BED	FM-U-FS-C-PWR-GEN -568800	2021	\$5,054.50
7112489	Z04090	01 OLYMP 20TDT-2 TRL BKH	FM-U-FS-C-PWR-TD -563400	2021	\$27,500.00
7112546	Z04158	01 OLYMP 20TDT-2 TRL BKH	FM-U-FS-C-WTR-DIST -582400	2018	\$27,500.00
7112595	Z04215	03 OLYMP 20TDT-2 TRL FB	FM-U-FS-C-PWR-TD -562700	2021	\$27,500.00
7112612	Z04237	03 OLYMP 20TDT-2 TRL FB	FM-U-FS-C-PWR-TD -563400	2021	\$27,500.00
7112648	Z04346	03 OLYMP OM12-2E TRL	FM-U-FS-C-PWR-TD -563400	2021	\$27,500.00
7114947	Z04285	04 OLYMP 30TDT-3 TRL TILT FB	FM-U-FS-C-PWR-GEN -566500	2021	\$30,250.00
7114959	Z04319	04 OLYMP 20TDT-2 TILT FB TRL	FM-U-FS-C-WTR-DIST -582400	2018	\$27,500.00
7115139	ADD	04 OLYMP OM12-2E TRL tilt flat bed 2x	FM-U-FS-C-PWR-GEN -568800	2021	\$5,054.50

Equipment	Sort field	Description	Functional Location - Cost Center	Repl Year	Estimated Cost
7116041		05 OLYMP 20TDT-2 TRL TILT FB	FM-U-FS-C-PWR -TD -563400	2021	\$27,500.00
7116059	ADD	05 LOAD TRAIL TD202 TRL TILT FB Add box	FM-U-FS-C-PWR -GEN -568800	2021	\$10,780.00
7116602		07 OLYMP CM712TA2 TRL	FM-U-FS-C-PWR -TD -563300DS	2021	\$12,688.50
7116603		07 OLYMP CM712TA2 TRL	FM-U-FS-C-PWR -TD -563300DS	2021	\$12,688.50
7118400		10 DWTCH S7B TRL FB	FM-U-FS-C-PWR -TD -562700	2021	\$3,850.00
7118402		10 DWTCH S7B TRL FB	FM-U-FS-C-PWR -TD -562700	2021	\$3,850.00
7111801	Z03175	91 WELLS EW2024 TRL CARGO	FM-U-FS-C-PWR -TD -563300DS	2021	\$3,850.00
7111979	Z03521	94 SNDLN 1 TRL FB Landscape lg ramp	FM-U-FS-C-PWR -GEN -568800	2021	\$10,780.00
7111892	Z03398	94 T-EZE D20T24 TRL TILT BED	FM-U-FS-C-WTR -DIST -582400	2018	\$27,500.00



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A"

RESOLUTION NO.:

U-10953

ITEM NO.:

#7

MEETING DATE:

SEPTEMBER 13, 2017

DATE: August 29, 2017

TO: Board of Contracts and Awards

SUBJECT: Tires, Tubes and Services

Budgeted from the Power, Water and Rail Divisions and Fleet Services Fund

WA State/Western States Contracting Alliance (WSCA) Contract No. 01712

SAP Contract No. 4600012195 (Previous Contracts 4600008101 & 4600010055)

RECOMMENDATION: Fleet Services requests approval to increase SAP Contract No. 4600012195 to **Goodyear Auto Service, Fife, WA**, by \$360,000.00 plus applicable sales tax for a one year period for the purchase of new tires, tubes, and tire-related repair services. This increase will bring the contract to a cumulative aggregate total of \$508,000.00 plus applicable sales tax. There is no guaranteed or minimum purchase requirement.

EXPLANATION: This contract supplies the majority of Tacoma Public Utilities' requirements for new automotive and truck tires, including tire-related repair services on an as-needed basis. The tires and service are provided by a local authorized Goodyear distributor.

COMPETITIVE SOLICITATION: This contract was originally awarded to the Goodyear Tire and Rubber Company d/b/a Wingfoot Commercial Tire Systems, LLC on May 1, 2012 as a result of the State of Washington's participation in a competitively bid multi-state cooperative purchasing contract through Western States Contracting Alliance (WSCA) for tires, tubes and tire-related repair services. The Contractor has agreed to extend the contract at the same prices, terms and conditions as the original contract. The current contract expires March 31, 2019.

To verify the state contract is the best value for the City, Fleet Services confirmed the City is saving between 44% - 50% on tires and tire-related repair services by utilizing this contract. The City is receiving a discount based on the current volume of 15 states participating in this contract.

CONTRACT HISTORY: SAP contract 4600008101 was originally for \$200,000.00 plus sales tax for the period May 1, 2012 to April 30, 2014.

- In March 2014, the contract was administratively extended for the first renewal period through March 31, 2015, with no contract increase.
- On August 27, 2014, an increase of \$308,000.00 was approved per Public Utility Board Resolution U-10714 #1. This amendment increased the contract to a cumulative amount of \$508,000.00 plus applicable sales tax. At this time, we were notified that Goodyear Tire and Rubber Company/Wingfoot Commercial Tire and Goodyear Auto Service Center (both authorized Goodyear distributors at the same location were separate vendors on the contract), so new SAP contract 4600010055 was created and the contract value had to be divided between the two contracts at that time.



- In December 2015, there was an administrative amendment to increase the contract by \$200,000 pursuant to Tacoma Municipal Code 1.06.269. This amendment increased the contract to a cumulative amount of \$708,000.00 plus applicable sales tax.
- In January 2017, new SAP contract 4600012195 replaced contract 4600010055 due to Wingfoot Commercial Tire Systems LLC and Goodyear consolidating as one vendor.

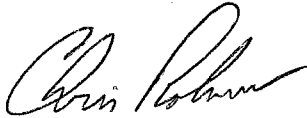
This increase will bring the contract to a cumulative aggregate total of \$1,068,000.00 from May 1, 2012 to March 31, 2019. This is the third amendment to increase the contract. The proposed \$360,000.00 increase is computed as follows:

Original contract amount:	\$ 200,000.00
First contract increase:	\$ 308,000.00
Second contract increase:	\$ 200,000.00
This contract increase:	\$ 360,000.00
New total contract value:	\$1,068,000.00

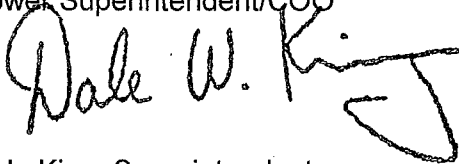
FUNDING: Funds for this are available in the 2017-2018 budget of the Department of Public Utilities for the Power, Water and Rail Divisions and the Fleet Services Fund.

SBE/LEAP COMPLIANCE: Not applicable.

PROJECT ENGINEER/COORDINATOR: Don Ashmore, Utilities Fleet Manager, Transmission & Distribution Fleet Services, 253-502-8575.



Chris Robinson
Power Superintendent/COO



Dale King, Superintendent
Rail Superintendent



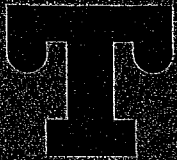
Interim Water Superintendent

APPROVED:



William A. Gaines
Director of Utilities/CEO

cc: Doreen Klaaskate, Senior Buyer, Finance/Purchasing
Dolores Stegeman, Transmission & Distribution Manager
Don Gesch, Transmission & Distribution Assistant Manager
SBE Coordinator
LEAP Coordinator



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A"

RESOLUTION NO.: U-10953
ITEM NO.: #8
MEETING DATE: SEPTEMBER 13, 2017

DATE: September 1, 2017
TO: Board of Contracts and Awards
SUBJECT: Amendment for Automatic Vehicle Locating (AVL) System Contract
Budgeted from the Power, Water and Rail Divisions and Fleet Services Fund
Request for Proposal (RFP) Specification No. UF08-1056F
SAP Contract 46000009236

RECOMMENDATION: Tacoma Public Utilities (TPU) Fleet Services requests approval for a time-only, no-cost amendment with **CalAmp Wireless Networks Corporation, Herndon, Virginia** to continue using the automatic vehicle location system (AVL) contract through July 29, 2018 or until a new contract is in place.

EXPLANATION: The AVL system integrates with existing TPU work management applications such as the Distribution Outage Management System and the Mobile Dispatch System to enhance response time for service requests and provide improved vehicle operator safety. The AVL system provides opportunities for efficiency improvements using real-time vehicle location data for route optimization, idle reduction and turn-by-turn in cab navigation.

The additional time on this contract will allow us the time we need to determine exact system requirements. AVL technology has advanced allowing for more options available from a newer system. Additional funds are not required; the current contract value is sufficient.

COMPETITIVE BIDDING: This contract was originally awarded to Wireless Matrix USA, Inc., as a result of Request for Proposal (RFP), Specification No. UF08-1056F in August 2009. Due to acquisition, the contract was reassigned to CalAmp Wireless Network Corporation in July 2013.

CONTRACT HISTORY: This contract was originally approved per Public Utility Board Resolution No. U-10311, Item 5 dated August 12, 2009 for an initial contract amount of \$300,000.00 and a cumulative total of \$750,000.00. The initial contract period was for two-years with the option to extend the contract for three additional one-year renewal periods. This resolution included Administrative authority to increase the contract an additional \$200,000 applies to contract per Tacoma Municipal Code 1.06.269.

In July 2011, the contract was extended for the first one-year renewal period through July 28, 2012 and increased by \$200,000.00 as authorized in the original PUB Resolution. This amendment increased the contract to a cumulative amount of \$500,000.00 plus applicable sales tax.

In July 2012, the contract was extended for the second one-year renewal period through July 28, 2013 with no additional funds needed at that time.



In July 2013, the contract was extended for the final one-year renewal period through July 28, 2014 and increased by \$250,000.00 as authorized in the original PUB Resolution. This amendment increased the contract to a cumulative amount of \$750,000.00 plus applicable sales tax.


In September 2013, was reassigned from Wireless Matrix USA, Inc. to CalAmp Wireless Network Corporation.

In July 2014, there was an administrative amendment to increase the contract by \$200,000 and the term was extended for three years through July 28, 2017 pursuant to Tacoma Municipal Code 1.06.269. This amendment increased the contract to a cumulative amount of 950,000.00 plus applicable sales tax.

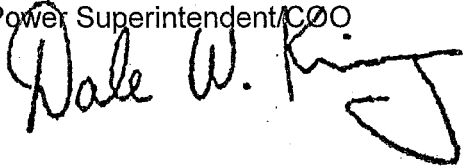
4FUNDING: Funds for this are available in the 2017-2018 budget of the Department of Public Utilities for the Power, Water and Rail Divisions and the Fleet Services Fund.

SBE/LEAP COMPLIANCE: Not applicable.

PROJECT ENGINEER/COORDINATOR: Don Ashmore, Utilities Fleet Manager, Transmission & Distribution Fleet Services, 253-502-8575.



Chris Robinson
Power Superintendent/COO


Interim Water Superintendent



Dale King, Superintendent
Rail Superintendent

APPROVED:


William A. Gaines
Director of Utilities/CEO

cc: Doreen Klaaskate, Senior Buyer, Finance/Purchasing
Dolores Stegeman, Transmission & Distribution Manager
Don Gesch, Transmission & Distribution Assistant Manager
SBE Coordinator
LEAP Coordinator



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

EXHIBIT "A"

RESOLUTION NO.: U-10953

ITEM NO.: #9

MEETING DATE: SEPTEMBER 13, 2017

DATE: September 1, 2017

TO: Board of Contracts and Awards

SUBJECT: Outage Communications Solution Implementation
Budgeted from PWR-00945-19
Request for Proposals Specification No. PS16-0322F

RECOMMENDATION: Tacoma Power, Utility Technology Services (UTS) section recommends a contract be awarded to **Smart Energy Systems, LLC, Irvine, CA**, for an outage communications application to provide customers with notification of planned and unplanned power outages. This five-year contract includes implementation costs in the amount of \$116,000; Software-as-a-Service (SaaS) licenses that include software maintenance and support at \$108,000 per year; and metered messaging fees estimated to average \$6,000 per year, for a projected cumulative total of \$686,000. The need for licenses and messaging beyond 2022 are possible given a projected need of five to 10 years. In accordance with Tacoma Municipal Code 1.06.269, authorization for continued software support and maintenance services may continue until the City no longer needs the software.

EXPLANATION: The existing Socrata outage system cannot provide the necessary level of information or integration with our customers in today's mobile world. Tacoma Power went live with the Distribution/Outage Management System (OMS) which predicts, analyzes, and maintains data and statistics for all outages and trouble calls within Tacoma Power. During the original business case, discussions about external web presence and enhanced customer communications were included in the business requirements and felt it should be completed in the future. Customer-facing outage/event communications applications are now common in the marketplace, and the replacement of the existing outage map system will increase the data available to the customer and their ability to interact with TPU.

COMPETITIVE SOLICITATION: Request for Proposals Specification No. PS16-0322F was opened September 13, 2016. Five companies were invited to bid in addition to normal advertising of the project. Three submittals were received. A selection advisory committee (SAC) comprised of eight members from Tacoma Power, Tacoma Water, Customer Services, and Community & Media Services, The committee ranked proposals using the following categories and weights: Qualifications/Experience of Firm - 15%; Qualifications of Key Personnel - 20%; Proposed Project Approach - 35%; Fees and Charges/Value - 20%; Small Business Enterprise (SBE)/Minority and Women's Business Enterprise (MWBE) - 5%; and Submittal Quality, Organization, and Completeness - 5%. The proposal presented by Smart Energy Systems, LLC was ranked the highest by the SAC and provided the best score four out of the five categories.

<u>Respondent</u>	<u>Location</u> (city and state)	<u>Score</u>
Smart Energy Systems, LLC	Irvine, CA	78.6
KUBRA Data Transfer, Ltd	Tempe, AZ	65.0
Environmental Systems Research Institute, Inc.	Redlands, CA	61.9

CONTRACT HISTORY: New contract.

FUNDING: Funds for this contract are available in the PWR-00945-19. Funding beyond the current biennium is subject to future availability of funds.

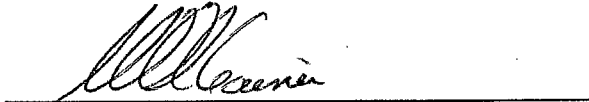
SBE/LEAP COMPLIANCE: Not applicable.

PROJECT ENGINEER/COORDINATOR: Daniel Drennan, Marketing & Development Manager, Community & Media Services, 253-441-4822 and Ivan Solkey Contractor Project Manager, Utility Technology Services.



Chris Robinson
Power Superintendent/COO

Approved:



William A. Gaines
Director of Utilities/CEO

cc: Richelle Krienke, Senior Buyer, Finance/Purchasing
SBE Coordinator
LEAP Coordinator

Request for Proposal PS16-0322F Outage/Event Communications Implementation

Evaluator Number: mmmary

Score 0 to 10 (0 = did not submit information; 10 = met all expectations and is found superior to other proposals)

Qualifications / Experience of Firm		Qualifications of Key Personnel		Proposed Project Approach		Pricing and Charges		SBE/MWBE		Quality, Organization, Completeness		Special Comments	
	Weighted Score (0-10) (15%)	Score (0-10)	Weighted Score (20%)	Score (0-10)	Weighted Score (35%)	Score (0-10)	Weighted Score (20%)	Score (0-10)	Weighted Score (5%)	Score (0-10)	Weighted Score (5%)	Total Weighted Score (out of 100)	
1 Smart Utility Systems (SUS)	65	97.5	66	132	63	220.5	72	144	0	0	35	629	
2 KUBRA Data Transfer	66	99	50	100	57	199.5	47	94	0	0	27.5	520	
3 Environmental Systems Research Institute (ESRI)	52	78	65	130	52	182	39	78	0	0	27.5	495.5	
4	0	0	0	0	0	0	0	0	0	0	0	0	
5	0	0	0	0	0	0	0	0	0	0	0	0	
6	0	0	0	0	0	0	0	0	0	0	0	0	
7	0	0	0	0	0	0	0	0	0	0	0	0	



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

EXHIBIT "A"

RESOLUTION NO.: U-10953

ITEM NO.: #10

MEETING DATE: SEPTEMBER 13, 2017

DATE: September 1, 2017

TO: Board of Contracts and Awards

SUBJECT: Purchase of LogRhythm Security Information and Event Management System
Budgeted from Cybersecurity A&R
State of Washington, Department of Enterprise Services, National Association of
State Procurement Officials (NASPO) Contract #06016

RECOMMENDATION: Tacoma Power, Utility Technology Services (UTS) section recommends a contract be awarded to **SHI International Corp., Sumerset, NJ**, for hardware, software, and maintenance support to replace the existing Security Information and Event Management (SIEM) system used by Tacoma Public Utilities. This contract includes purchase and installation services in the amount of \$142,150.27; and three years software support in the amount of \$136,249.00; for a total cost of \$278,399.27 plus sales tax.

EXPLANATION: The SIEM system collects and analyzes event log data to provide real-time visibility into all activity occurring on our critical systems, networks and applications in order to monitor system health and performance. The log data allows us to identify, investigate and respond to security threats. The logging solution Tacoma Power currently uses to monitor critical systems, networks and applications, such as the Energy Management System, and meet NERC CIP compliance obligations, offers limited functionality and scalability compared to available SIEM solutions.

Purchasing and deploying LogRhythm aligns with TPU's Utility Technology Strategic Plan, contributes to TPU's cybersecurity maturity and will provide TPU with a modern, powerful and scalable platform to identify and detect malicious activity more quickly. Additionally, the tool provides central visibility across our complex environment, detects advanced threats through powerful data analytics and reduces the time to investigate and respond to events.

COMPETITIVE SOLICITATION: This purchase is based on the competitively bid, National Association of State Procurement Officials (NASPO) contract. The current cycle contract dates are from April, 08, 2016 through April 07, 2018, with a total terms expiration of April 17, 2021, per Washington State Master Contract no. 06016 participating addendum.

CONTRACT HISTORY: New contract.

FUNDING: Funds for this are available in the 2017-18 Tacoma Power Additions and Replacements, Cybersecurity PWR-00942.

SBE/LEAP COMPLIANCE: Not applicable.

PROJECT ENGINEER/COORDINATOR: Travis Dos Santos-Tam, UTS Cybersecurity, (253) 441-4667.

A handwritten signature in black ink, appearing to read 'Chris Robinson', written over a horizontal line.

Chris Robinson
Power Superintendent/COO

Approved:

A handwritten signature in black ink, appearing to read 'William A. Gaines', written over a horizontal line.

William A. Gaines
Director of Utilities/CEO

cc: Richelle Krienke, Senior Buyer, Finance/Purchasing



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

EXHIBIT "A"

RESOLUTION NO.:

U-10953

ITEM NO.:

#11

MEETING DATE:

September 13, 2017

DATE: September 5, 2017

TO: Board of Contracts and Awards

SUBJECT: TPU Eductor Waste Decant Facility
Request for Bids Specification No. PG17-0130F

RECOMMENDATION: Tacoma Power and Tacoma Water recommend a contract be awarded to low bidder **Tapani, Inc.**, located in **Battle Ground, Washington**, for the construction of the TPU Eductor Waste Decant Facility for a total award amount of \$2,079,650.00, plus sales tax.

EXPLANATION: The primary driver to construct an Eductor Decant Facility is environmental compliance, to contain and properly handle soils excavated by Tacoma Power and Tacoma Water. This includes soils from the Asarco smelter plume area that are potentially contaminated with arsenic and lead.

Washington State Solid Waste Handling Standards (WAC 173-350-320) and Tacoma-Pierce County Health Department Environmental Health Code (Chapter 12) require the utility to obtain a Solid Waste Handling permit to store excavated material. To obtain a permit, the utility needs a proper location to store stockpiled waste on a sealed surface, such as concrete or asphaltic concrete, to prevent soil and groundwater contamination. This decant facility provides such a location. The facility drains (decants) water from the excavated spoils to accommodate proper spoil storage, testing, and disposal and properly manages wastewater from the decanting process.

The new 12,000 SF covered facility will remove and contain water from excavated soils, include basic water treatment before discharge to sanitary sewer, and provide soil storage until final disposal. This facility will be owned and operated jointly by Power and Water, with all project costs shared equally between divisions. The facility will be located at Tacoma Power's Southwest Substation, 4102 South 74th Street.

During project scoping, TPU contacted the City of Tacoma Environmental Services Department to determine if a partnering opportunity was available at the Cleveland Way Decant Facility, owned/operated by Environmental Services. The City's existing facility does not have capacity to take on additional material, making this alternative unfeasible.

COMPETITIVE SOLICITATION: Requests for Bids Specification No. PG17-0130F was opened on August 29, 2017, with six (6) bids being received. Twelve (12) bidders were specifically invited to bid in addition to normal advertising for this project. The Small Business Enterprise (SBE) participation level proposed by the bidder(s) are reflected as a credit (maximum applies) against the submitted base bid to arrive at an "evaluated bid" for ranking purposes. Tapani Inc. submitted a bid that resulted in the lowest evaluated submittal after consideration of SBE participation goals. The table below reflects the total bid submittal amount.

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal Amount</u> Plus sales tax	<u>Evaluated</u> <u>Submittal</u>
Tapani, Inc.	Battle Ground, WA	\$ 2,079,650.00	\$ 2,062,278.81
Pease Construction, Inc.	Lakewood, WA	\$ 2,248,061.50	\$ 2,144,079.00
McClure and Sons, Inc.	Mill Creek, WA	\$ 2,224,516.00	\$ 2,172,463.58
General Mechanical, Inc.	Tacoma, WA	\$ 2,274,296.00	\$ 2,274,296.00
Macro-Z-Technology Company	Santa Ana, CA	\$ 2,388,005.50	\$ 2,210,623.59
Pellco Construction, Inc.	Mukilteo, WA	\$ 2,618,800.00	\$ 2,514,817.50

Pre-bid Estimate \$ 1,939,000.00

The recommended award is 7.25 percent above the pre-bid estimate from KPFF.

CONTRACT HISTORY: New contract.

FUNDING: Funds are available in the Water 2013 Bond Fund, Water Capital Reserve, and Power 2015 Bond Fund. Funding beyond the current biennium is subject to future availability of funds.

SBE/LEAP COMPLIANCE: The recommended contractor is in compliance with the Small Business Enterprise (SBE) requirements per memorandum dated August 31, 2017. The SBE goal for this project is 17 percent. The SBE participation level of the recommended contractor is 2.84 percent. Tapani, Inc. submitted the lowest evaluated bid per the SBE requirements. The Local Employment and Apprenticeship Training Program (LEAP) goal of 1340 hours is applicable to this project.

PROJECT ENGINEER/COORDINATOR: Steve Fairchild, Generation/Plant Engineering, 253-502-8747.



Chris Robinson, Power Superintendent/COO



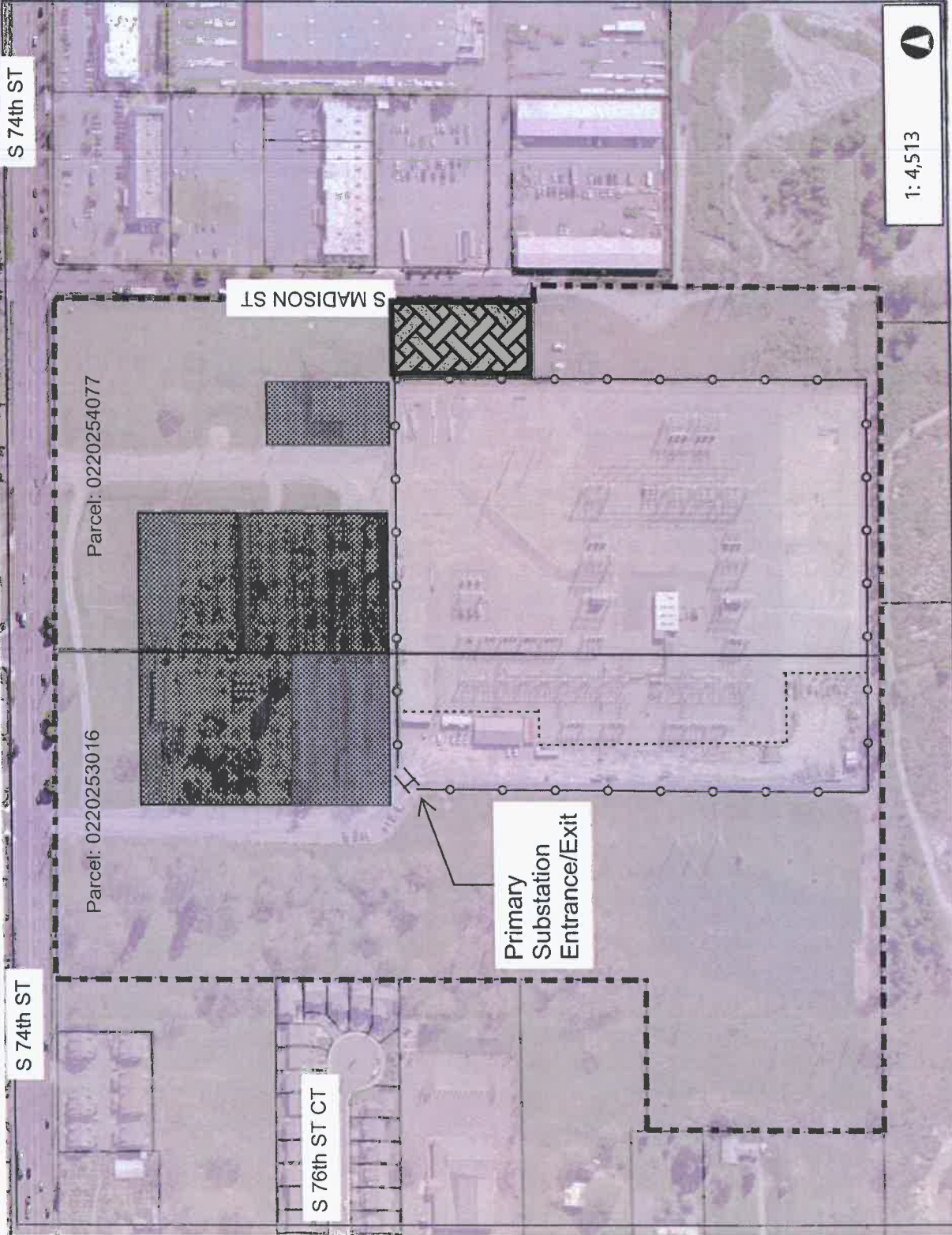
Acting Water Superintendent

APPROVED:



William A. Gaines, Director of Utilities/CEO

Cc: Kimberly Ward, Finance/Purchasing
SBE/LEAP Coordinators
Generation/Contract Services










752.2 0 376.08 752.2 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
Tacoma Water Maps

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Legend

-  = Proposed Decant Facility Site
-  = Existing Oil Storage Facility, Training Facilities, & Pole Storage
-  = Outer Substation Fence
-  = Inner Substation Fence
-  = Gate
-  = TPU Property Boundary
-  = Parcel Line

Address: 4102 S. 74th St.
Tacoma WA, 98409

Parcel: 0220254077

1:4,513



TPU Educator Waste Decant Facility - Vicinity Map

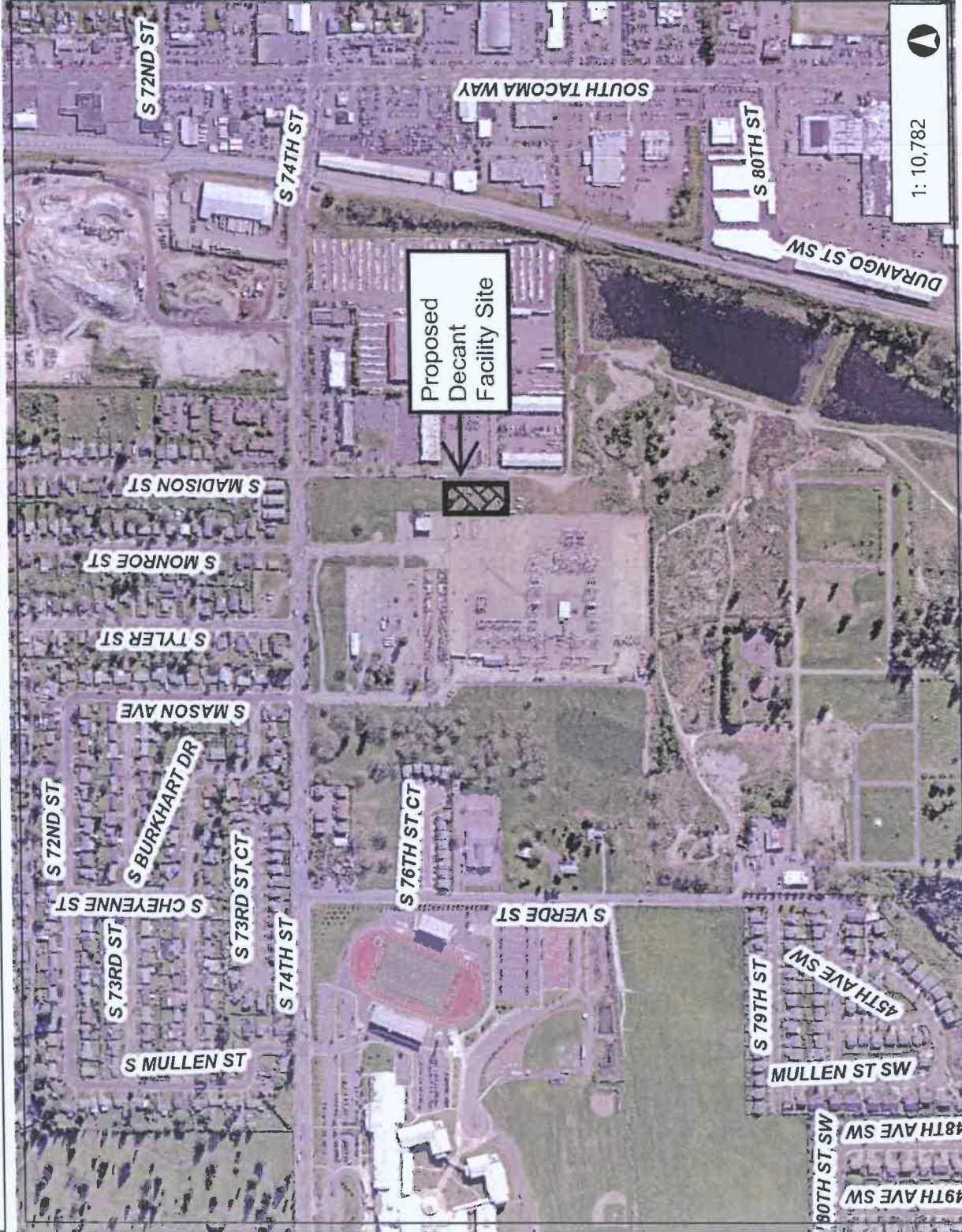


Legend

 = Proposed
Decant
Facility Site

Address: 4102 S. 74th St.
Tacoma WA, 98409

Parcel: 0220254077



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION



**Community & Economic Development Department
Small Business Enterprise (SBE) Office
Evaluated Bid Status Report**

To: Steve Hoffman

Date: 8/31/2017

Subject: PG17-0130F, TPU DeCant Facility PUB
\$2,079,650.00; plus applicable sales tax.

Contractor: Tapani, Inc
1904 SE 6th Place
Battle Ground, WA 98604

Subcontractors to be used on the project:

Puget Paving &
Construction, Inc

Certification	SBE Goal %	Dollar Amount
SBE Participation	2.84%	\$58,130.00
DBE Participation	0.00%	\$0.00
WBE Participation	0.00%	\$0.00
MBE Participation	0.00%	\$0.00
Totals	2.84%	\$58,130.00

☒ **APPROVED**

Bidder is in compliance with required provisions of Ordinance 27867.

☐ **DISAPPROVED**

Bidder is not considered responsive for the following reason(s):

- ☐ Bidder did not complete all necessary forms,
- ☐ See attached memorandum dated _____.

Fund Number:



Clifford Armstrong III
Contract & Program Auditor



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

EXHIBIT "A"

RESOLUTION NO.: U-10953

ITEM NO.: #12

MEETING DATE: SEPTEMBER 13, 2017

DATE: August 22, 2017
TO: Board of Contracts and Awards
SUBJECT: LiDAR Data Acquisition and Analysis
Budgeted from Water 4600
Washington State Department of Natural Resources

RECOMMENDATION: Tacoma Water recommends a contract be awarded to the **Washington Department of Natural Resources (DNR)**, for the acquisition and analysis of aerial light detection and ranging (LiDAR) data to be developed under a cooperative purchasing agreement. The vendor under contract with DNR is Quantum Spatial, Inc. (QSI). The contract amount reflects a total award of \$509,251, plus applicable sales tax.

EXPLANATION: LiDAR is a survey method that uses pulsed laser light from aircraft to develop very detailed land and landcover map products over large areas. This project will develop and analyze LiDAR data for the Green River Municipal Watershed, the Tacoma Water service area, and transmission pipeline corridors. Purposes of the project are fourfold: 1) to develop detailed maps of unstable slopes, landslide features, and water courses in the Green River watershed to inform road construction/maintenance and improve protection of water quality; 2) to inventory Tacoma Water forest lands in the Green River watershed to provide the necessary data for assessing forest health and for timberland management; 3) to map key river channels in the Green River watershed to assist with fish habitat monitoring and identify future habitat projects; and 4) to provide more accurate topographic and photogrammic products over the Tacoma Water service area and pipeline corridors to improve construction and maintenance planning.

COMPETITIVE ANALYSIS: Tacoma Water will be entering into an interagency Cooperative Purchasing Agreement with Washington Department of Natural Resources (DNR). The State mandated LiDAR program collects, analyzes, and publicly distributes information regarding the State's geology. The services were initially put out to bid by DNR through Request for Proposal #17-16 Division of Geology and Earth Resources LiDAR Acquisition in November of 2016. Quantum Spatial, Inc. was awarded the contract. Tacoma Water will have use of DNR LiDAR services with Quantum Spatial, Inc. through this agreement. It is in the best interest of the City to utilize this contract due to favorable pricing and terms.

CONTRACT HISTORY: New contract.

FUNDING: Funds for this are available in 4600 – Cost Center 585300.

SBE/LEAP COMPLIANCE: Not applicable.

PROJECT ENGINEER/COORDINATOR: Mike Gray, Asset and Information Management, 253-779-7746.

Chris McMeen
Acting Water Superintendent

APPROVED:

William A. Gaines
Director of Utilities/CEO

September 13, 2017

MOTION

I hereby move that the following motion be approved:

17-11. That in accordance with the Tacoma City Charter Article IV, Section 4.21, the Board confirm the appointment of William Scott Dewhirst II to serve as Tacoma Water Superintendent effective October 2, 2017.



RESOLUTION NO. U-10954

1
2 A RESOLUTION authorizing Tacoma Power to accept a Telecommunications
3 Franchise Agreement with the City of Puyallup.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Light
5 Division, d.b.a. Click! Network ("Click!"), requests approval of a ten-year
6 telecommunications agreement with the City of Puyallup, and

7 WHEREAS, on August 22, 2017, the Puyallup City Council approved
8 Ordinance No. 3148, granting a ten-year non-exclusive Telecommunications
9 Franchise Agreement ("Franchise") providing the right for Click! facilities to
10 occupy the rights-of-way within the City to accommodate construction of a fiber
11 optic line connecting Click! to the Centeris Regional Data Center, and
12

13 WHEREAS the Franchise sets forth the rights granted and exclusions
14 from those rights, and obligations such as compliance with permitting and other
15 right-of-way regulations, providing evidence of self-insured status, relocation of
16 facilities at the City's request, and payment of fees and taxes if applicable. No
17 customers within the City of Puyallup will be served, no revenue will be
18 generated in the City, and the facility to be constructed in the right-of-way is for
19 data transport only, and
20

21 WHEREAS it is in the best interest to accept said Franchise as
22 recommended; Now, therefore,

23 ///

24 ///

25 ///

26 ///



1 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

2 That the ten-year non-exclusive Telecommunications Franchise
3 Agreement granted by the City of Puyallup to Click! to provide the right for Click!
4 facilities to occupy the rights-of-way within the City to accommodate
5 construction of a fiber optic line connecting Click! to the Centeris Regional Data
6 Center, is approved. Tacoma City Council is requested to concur in the
7 approval and authorize the Power Superintendent to accept said Agreement
8 substantially in the form on file, as approved by the City Attorney.
9

10 Approved as to form and legality:

11 
12 Chief Deputy City Attorney

Chair _____

Secretary _____

13 _____
14 Clerk

Adopted _____

of September 13, 2017

REQUEST FOR RESOLUTION

Date: August 30, 2017

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Authorization to accept Telecommunications Franchise Agreement Between the City of Puyallup and City of Tacoma, Dept. of Public Utilities, Light Division, dba Click! Network.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

This Resolution would authorize the Power Superintendent/COO to execute the Franchise Agreement approved by the City of Puyallup on August 22, 2017 by its Ordinance No. 3148, signifying acceptance by City of Tacoma.

3. Summarized reason for resolution:

Application was made for a non-exclusive Telecommunications Franchise with the City of Puyallup to provide the right for Click! Network facilities to occupy rights-of-way within the City to accommodate construction of a fiber optic line connecting the Click! Network to the Centeris Regional Data Center. The Telecommunications Franchise was granted to City of Tacoma, Dept. of Public Utilities, Light Division, dba Click! Network August 22, 2017 for a ten year term by City of Puyallup Ordinance No. 3148.

The Franchise sets forth the rights granted and exclusions from those rights, and obligations such as compliance with permitting and other right-of-way regulations, providing evidence of self-insured status, relocation of facilities at the City's request, and payment of fees and taxes if applicable. No customers within City of Puyallup will be served, no revenue will be generated in the City, and the facility to be constructed in the right-of-way is for data transport only.

4. Attachments:

a. City of Puyallup Ordinance No. 3148 executed by the City Manager of the City of Puyallup effective August 30, 2017.

5. ☐ Funds available ☐ Proposed action has budgetary impact

Acceptance of the franchise has no budgetary impact.

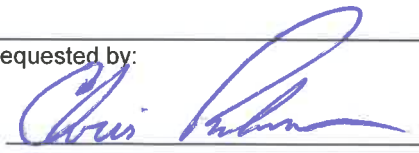
6. Deviations requiring special waivers: None

Originated by:



Section Head

Requested by:



Division Head

Approved:



Director of Utilities



TO: Chair and Members of the Public Utility Board

FROM: William A. Gaines, Director of Utilities/CEO

DATE: September 1, 2017

RE: Click! Network Telecommunications Franchise with the City of Puyallup

BACKGROUND: Click! Network is seeking a resolution authorizing the acceptance of a telecommunications franchise granted by the City of Puyallup. Click! Network filed an application for a telecommunications franchise with the City of Puyallup on February 22, 2017, for the purpose of obtaining the right to construct a fiber optic facility within the City's rights-of-way. The Franchise was granted by City of Puyallup by Ordinance No. 3148 dated August 22, 2017, becoming effective August 30, 2017.

DISCUSSION: The City of Puyallup telecommunications franchise grants Click! Network the right to construct, operate, maintain, replace, acquire, sell, lease and use all necessary facilities for a telecommunications network within the public rights-of-way within the City of Puyallup for a term of ten (10) years. The franchise becomes effective five (5) days after passage by Puyallup City Council and publication of a summary.

Click! will build a fiber optic cable connection from its network to the new Centeris Data Center located in Puyallup. This interconnection will enable a direct route for commercial traffic traversing the Click! Network to cross connect with a variety of carriers in the Data Center. It will also provide opportunity for Click! to acquire Internet access from multiple carriers with a presence at the Centeris Data Center, which could result in cost savings.

The interconnection will consist of both aerial and underground plant. The aerial plant will be attached to Puget Sound Energy poles under a separate pole attachment agreement. A small portion of the construction will be underground. Permits will be required for the underground plant to be placed in the rights-of-way of the City of Puyallup, and such permits will be obtained once the telecommunications franchise becomes effective. A City of Puyallup Business License was obtained as required for the grant of the Franchise.

No customers will be served nor will any revenue be generated within the City of Puyallup, thus no taxes or fees will be payable other than permit fees and an administrative franchise application fee.

There are no concerns with Click!'s ability to fulfill the obligations imposed by acceptance of the Franchise, and no budgetary impacts will occur as a result.

RECOMMENDATION: It is recommended that the Public Utility Board adopt a resolution authorizing Click! Network to execute acceptance of the Puyallup Telecommunications Franchise.

ORDINANCE NO. 3148

AN ORDINANCE OF THE CITY OF PUYALLUP, WASHINGTON, GRANTING TO CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES LIGHT DIVISION, D.B.A. CLICK! NETWORK AND ITS AFFILIATES, SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND NONEXCLUSIVE FRANCHISE FOR TEN YEARS, TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR A TELECOMMUNICATIONS NETWORK, IN, ACROSS, OVER, ALONG, UNDER, THROUGH AND BELOW CERTAIN DESIGNATED PUBLIC RIGHTS-OF-WAY OF THE CITY OF PUYALLUP, WASHINGTON.

WHEREAS, City of Tacoma, Department of Public Utilities Light Division, dba. Click! Network (the "Franchisee") has requested that the City Council grant a nonexclusive franchise (this "Franchise"), and

WHEREAS, the City Council has the authority to grant Franchises for the use of its streets and other public properties pursuant to RCW 35A.47.040, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF PUYALLUP, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1 Franchise Granted.

Section 1.1 Pursuant to RCW 35A.47.040, the City of Puyallup, a Washington municipal corporation (hereinafter the "City"), hereby grants to City of Tacoma, Department of Public Utilities Light Division, dba. Click! Network, its affiliates, heirs, successors, legal representatives and assigns, subject to the terms and conditions hereinafter set forth, a Franchise for a period of ten (10) years, beginning on the effective date of this ordinance, set forth in Section 40 herein.

Section 1.2 This Franchise ordinance grants Franchisee the right, privilege, and authority to construct, operate, maintain, replace, acquire, sell, lease and use all necessary Facilities for a telecommunications network, in, under, on, across, over, through, along or below the public Rights-of-Ways located in the City of Puyallup, as approved pursuant to City permits issued pursuant to this Franchise. Public "Rights-of-Way" means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, lane, public way, drive, circle, pathways, spaces, or other public right of way which,

under City ordinances or applicable laws, the City has authority to grant franchises, licenses, or leases for use thereof, or has regulatory authority thereover and only to the extent such Rights-of-Way are opened. Rights-of-Way for the purpose of this Franchise do not include buildings, other City-owned physical facilities, parks, poles, conduits, fixtures, real property or property rights owned by the City not reserved for transportation purposes, or similar facilities or property owned by or leased to the City, including, by way of example and not limitation, structures in the Rights-of-Way such as utility poles, light poles and bridges. "Facilities" as used in this Franchise means one or more elements of Franchisee's telecommunications network, with all necessary cables, wires, conduits, ducts, pedestals, antennas, electronics, and other necessary appurtenances; provided that new utility poles for overhead wires or cabling are specifically excluded unless otherwise specifically approved by the City. Equipment enclosures with air conditioning or other noise generating equipment are also excluded from "Facilities," to the extent such equipment is located in zoned residential areas of the City. For the purposes of this Franchise the term Facilities excludes "microcell" facilities, "minor facilities," "small cell facilities," all as defined by RCW 80.36.375, and "macrocell" facilities, including towers and new base stations and other similar facilities used for the provision of "personal wireless services" as defined by RCW 80.36.375 (collectively "Personal Wireless Services").

Section 2 Authority Limited to Occupation of Public Rights-of-Way.

Section 2.1 The authority granted herein is a limited authorization to occupy and use the Rights-of-Way throughout the City (the "Franchise Area"). Nothing contained herein shall be construed to grant or convey any right, title, or interest in the Rights-of-Way of the City to the Franchisee other than for the purpose of providing telecommunications services. Franchisee's telecommunication Facilities will be used to provide internet access services to customers located outside the City of Puyallup (the "Services") and, therefore, no telecommunications services hereunder will be provided within the City of Puyallup. No right to install any facility, infrastructure, wires, lines, cables, or other equipment, on any City property other than a Right-of-Way, or upon private property without the owner's consent, or upon any City, public or privately owned utility poles or conduits is granted herein. Nothing contained within this Franchise shall be construed to grant or convey any right, title, or interest in the Rights-of-Way of the City to Franchisee other than for the purpose of providing the Services, nor to subordinate

the primary use of the right-of-way as a public thoroughfare. A more detailed description of Franchisee's telecommunications system and Services is described in Exhibit A. If Franchisee desires to expand the Services provided to include customers located within the City, it shall provide written notification of the addition of such services prior to the addition of the service; provided, however, that Franchisee may not offer Cable Services as defined in 47 U.S.C. § 522(6) or Personal Wireless Services, without obtaining a new franchise or an amendment to this Franchise approved by the City Council.

Section 2.2 Franchisee shall have the right, without prior City approval, to offer or provide capacity or bandwidth to its customers consistent with this Franchise provided:

(a) Franchisee at all times retains exclusive control over its telecommunications system, Facilities and Services and remains responsible for constructing, installing, and maintaining its Facilities pursuant to the terms and conditions of this Franchise;

(b) Franchisee may not grant rights to any customer or lessee that are greater than any rights Franchisee has pursuant to this Franchise;

(c) Such customer or lessee shall not be construed to be a third-party beneficiary under this Franchise; and

(d) No such customer or lessee may use the telecommunications system or Services for any purpose not authorized by this Franchise.

Section 3 Non-Exclusive Franchise Grant. This Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further Franchises in, along, over, through, under, below, or across any said Rights-of-Way. Such Franchise shall in no way prevent or prohibit the City from using any of said roads, streets, or other public properties or affect its jurisdiction over them or any part of them, and the City shall retain power to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, vacation, dedication of same as the City may deem fit, including the dedication, establishment, maintenance, and improvement of all new Rights-of-Way, thoroughfares and other public properties of every type and description.

Section 4 Location of Telecommunications Network Facilities.

Section 4.1 Franchisee is maintaining a telecommunications network, consisting of Facilities within the City. Franchisee may locate its Facilities anywhere within the Franchise Area consistent with the City's Public Works Engineering and Construction Standards and subject to the City's applicable permit requirements. The City reserves the right to prescribe the location of Franchisee's Facilities within the Franchise Area and the time and manner of Franchisee's activities through the permitting process. Franchisee shall not be required to amend this Franchise to construct or acquire Facilities within the Franchise Area, provided that Franchisee does not expand its Services beyond those described in Section 2.

Section 4.2 To the extent that any Rights-of-Way within the Franchise Area are part of the state highway system ("State Highways") and are governed by the provisions of Chapter 47.24 RCW and applicable Washington State Department of Transportation ("WSDOT") regulations, Franchisee shall comply fully with said requirements in addition to local ordinances and other applicable regulations. Without limitation of the foregoing, Franchisee specifically agrees that:

(a) any pavement trenching and restoration performed by Franchisee within State Highways shall meet or exceed applicable WSDOT requirements;

(b) any portion of a State Highway damaged or injured by Franchisee shall be restored, repaired and/or replaced by Franchisee to a condition that meets or exceeds applicable WSDOT requirements; and

(c) without prejudice to any right or privilege of the City, WSDOT is authorized to enforce in an action brought in the name of the State of Washington any condition of this Franchise with respect to any portion of a State Highway.

Section 5 Relocation of Telecommunications Network Facilities.

Section 5.1 Franchisee agrees and covenants to protect, support, temporarily disconnect, relocate, or remove from any Rights-of-Way any of its Facilities when reasonably required by the City by reason of traffic conditions or public safety, dedications of new Rights-of-Way and

the establishment and improvement thereof, widening and improvement of existing Rights-of-Way, street vacations, freeway construction, change or establishment of street grade, or the construction of any public improvement or structure by any governmental agency acting in a governmental capacity or as otherwise necessary for the operations of the City or other governmental entity, provided that Franchisee shall in all such cases have the privilege to temporarily bypass in the authorized portion of the same Rights-of-Way upon approval by the City, which approval shall not unreasonably be withheld or delayed, any Facilities required to be temporarily disconnected or removed. Except as otherwise provided by law, the costs and expenses associated with relocations ordered pursuant to this Section 5.1 shall be borne by Franchisee. Nothing contained within this Franchise shall limit Franchisee's ability to seek reimbursement for relocation costs when permitted by RCW 35.99.060.

Section 5.2 Upon request of the City and in order to facilitate the design of City street and Right-of-Way improvements, Franchisee agrees, at its sole cost and expense, to locate, and if reasonably determined necessary by the City, to excavate and expose its Facilities for inspection so that the Facilities' location may be taken into account in the improvement design. The decision as to whether any Facilities need to be relocated in order to accommodate the City's improvements shall be made by the City upon review of the location and construction of Franchisee's Facilities. The City shall provide Franchisee at least fourteen (14) days' written notice prior to any request for excavation or exposure of Facilities.

Section 5.3 If the City determines that the project necessitates the relocation of Franchisee's existing Facilities, the City shall:

(a) At least forty five (45) days prior to commencing the project, provide Franchisee with written notice requiring such relocation; provided, however, that in the event of an emergency situation, defined for purposes of this Franchise as a condition posing an imminent threat to property, life, health, or safety of any person or entity, the City shall give Franchisee written notice as soon as practicable; and

(b) At least forty five (45) days prior to commencing the project, provide Franchisee with copies of pertinent portions of the plans and specifications for the improvement

project and a proposed location for Franchisee's Facilities so that Franchisee may relocate its Facilities in other City Rights-of-Way in order to accommodate such improvement project; and

(c) After receipt of such notice and such plans and specifications, Franchisee shall complete relocation of its Facilities at least ten (10) days prior to commencement of the City's project at no charge or expense to the City, except as otherwise provided by law. Relocation shall be accomplished in such a manner as to accommodate the City's project.

Section 5.4 Franchisee may, after receipt of written notice requesting a relocation of its Facilities, submit to the City written alternatives to such relocation. Such alternatives must be submitted to the City at least thirty (30) days prior to commencement of the project. The City shall evaluate the alternatives and advise Franchisee in writing if one or more of the alternatives are suitable to accommodate the work that would otherwise necessitate relocation of the Facilities. If so requested by the City, Franchisee shall submit at its sole cost and expense additional information to assist the City in making such evaluation. The City shall give each alternative proposed by Franchisee full and fair consideration. In the event the City ultimately determines that there is no other reasonable or feasible alternative, Franchisee shall relocate its Facilities as otherwise provided in this Section 5.

Section 5.5 The provisions of this Section 5 shall in no manner preclude or restrict Franchisee from making any arrangements it may deem appropriate when responding to a request for relocation of its Facilities by any person or entity other than the City, where the facilities to be constructed by said person or entity are not or will not become City-owned, operated, or maintained facilities, provided that such arrangements do not unduly delay a City construction project.

Section 5.6 If Franchisee breaches its obligations under Section 5.1 with respect to relocating its Facilities within the Franchise Area, and to the extent such breach causes a delay in the work being undertaken by the City's third party contractor(s) that results in a claim by the third party contractor(s) for costs, expenses and/or damages that are directly caused by such delay and are legally required to be paid by the City (each, a "Contractor Delay Claim"), the City may at its sole option:

(a) tender the Contractor Delay Claim to Franchisee for defense and indemnification in accordance with Section 5.7 and Section 16; or

(b) require that Franchisee reimburse the City for any such costs, expenses, and/or damages that are legally required to be paid by the City to its third party contractor(s) as a direct result of the Contractor Delay Claim; provided that, if the City requires reimbursement by Franchisee under this Section 5.6(b), the City shall first give Franchisee written notice of the Contractor Delay Claim and give Franchisee the opportunity to work with the third party contractor(s) to resolve the Contractor Delay Claim for a period of not less than sixty (60) days prior to the City's payment of the Contractor Delay Claim.

Section 5.7 Franchisee will indemnify, hold harmless, and pay the costs of defending the City, in accordance with the provisions of Section 16, against any and all claims, suits, actions, damages, or liabilities for delays on City construction projects caused by or arising out of the failure of Franchisee to remove or relocate its Facilities in a timely manner; provided, that Franchisee shall not be responsible for damages due to delays caused by circumstances beyond the control of Franchisee or the gross negligence, willful misconduct, or unreasonable delay of the City or any unrelated third party.

Section 5.8 Whenever any person shall have obtained permission from the City to use any Right-of-Way for the purpose of moving any building, Franchisee, upon thirty (30) days' written notice from the City, shall raise, remove, or relocate to another part of the Right-of-Way, at the expense of the person desiring to move the building, any of Franchisee's Facilities that may obstruct the removal of such building.

Section 5.9 If Franchisee fails, neglects, or refuses to remove or relocate its Facilities as directed by the City following the procedures outlined in Section 5.1 through Section 5.4 and Section 5.8 the City may perform such work or cause it to be done, and the City's costs shall be paid by Franchisee pursuant to Section 14.3 and Section 14.4.

Section 5.10 The provisions of this Section 5 shall survive the expiration or termination of this Franchise during such time as Franchisee continues to have Facilities in the Rights-of-Way.

Section 6 Undergrounding of Facilities.

Section 6.1 Except as specifically authorized by permit of the City, Franchisee shall not be permitted to erect poles or to run or suspend wires, cables or other facilities thereon, but shall lay such wires, cables or other facilities underground in the manner required by the City. Franchisee acknowledges and agrees that if the City does not require the undergrounding of its Facilities at the time of permit application, the City may, at any time in the future, require the conversion of Franchisee's aerial facilities to underground installation at Franchisee's expense. Unless otherwise permitted by the City, Franchisee shall underground its Facilities in all new developments and subdivisions, and any development or subdivision where utilities, other than electrical utilities, are currently underground.

Section 6.2 Whenever the City may require the undergrounding of the aerial utilities in any area of the City, Franchisee shall underground its aerial facilities in the manner specified by the City, concurrently with and in the area of the other affected utilities. The location of any such relocated and underground utilities shall be approved by the City. Where other utilities are present and involved in the undergrounding project, Franchisee shall only be required to pay its fair share of common costs borne by all utilities, in addition to the costs specifically attributable to the undergrounding of Franchisee's own Facilities. "Common costs" shall include necessary costs not specifically attributable to the undergrounding of any particular facility, such as costs for common trenching and utility vaults. "Fair share" shall be determined for a project on the basis of the number and size of Franchisee's Facilities being undergrounded in comparison to the total number and size of all other utility facilities being undergrounded.

Section 6.3 To the extent Franchisee is providing Services to Personal Wireless Services facilities, Franchisee shall adhere to the design standards for such personal wireless services facilities, and shall underground its Facilities and/or place its Facilities within the pole as may be required by such design standards. For the purposes of clarity, this Section 6.3 does not require undergrounding or interior placement of Facilities within the pole to the extent that the Personal Wireless Services facilities are located on utility poles that have pre-existing aerial telecommunications facilities and provided such construction of Franchisee's Facilities continue to comply with Section 6.1 or Section 6.2.

Section 6.4 Franchisee shall not remove any underground cable or conduit that requires trenching or other opening of the Rights-of-Way along the extension of cable to be removed, except as provided in this Section 6.4. Franchisee may remove any underground cable from the Right-of-Way that has been installed in such a manner that it can be removed without trenching or other opening of the Right-of-Way along the extension of cable to be removed, or if otherwise permitted by the City. Franchisee may remove any underground cable from the Rights-of-Way where reasonably necessary to replace, upgrade, or enhance its Facilities, or pursuant to Section 5. When the City determines, in the City's sole discretion, that Franchisee's underground Facilities must be removed in order to eliminate or prevent a hazardous condition, Franchisee shall remove the cable or conduit at Franchisee's sole cost and expense. Franchisee must apply and receive a permit, pursuant to Section 8.2, prior to any such removal of underground cable or conduit from the Right-of-Way and must provide as-built plans and maps pursuant to Section 7.1.

Section 6.5 The provisions of this Section 6 shall survive the expiration, revocation, or termination of this Franchise. Nothing in this Section 6 shall be construed as requiring the City to pay any costs of undergrounding any of the Franchisee's Facilities.

Section 7 Maps and Records.

Section 7.1 After underground construction is complete, Franchisee shall provide the City with accurate copies of as-built plans and maps stamped and signed by a professional land surveyor in a form and content acceptable to the City Engineer or his/her designee. Following any aerial construction, Franchisee shall provide the City with accurate copies of as-built plans and maps prepared by Franchisee's design and installation contractors. These plans and maps shall be provided at no cost to the City, and shall include hard copies and digital files in Autocad or other industry standard readable formats that are acceptable to the City and delivered electronically. Drawings will be based on State Plane Coordinates per City Engineering and Construction Standards. Further, Franchisee shall provide such maps within ten (10) days following a request from the City. Franchisee shall warrant the accuracy of all plans, maps and as-builts provided to the City.

Section 7.2 Within thirty (30) days of a written request from the City Engineer, the Franchisee shall furnish the City with information sufficient to demonstrate: 1) that the Franchisee has complied with all applicable requirements of this Franchise; and 2) that all taxes, including but not limited to sales, utility and/or telecommunications taxes if applicable, due the City in connection with the Franchisee's services and Facilities provided by the Franchisee have been properly collected and paid by the Franchisee.

Section 7.3 All books, records, maps, and other documents maintained by Franchisee with respect to its Facilities within the Rights-of-Way shall be made available for inspection by the City at reasonable times and intervals; provided, however, that nothing in this Section 7.3 shall be construed to require Franchisee to violate state or federal law regarding customer privacy, nor shall this Section 7.3 be construed to require Franchisee to disclose proprietary or confidential information without adequate safeguards for its confidential or proprietary nature. Unless otherwise prohibited by state or federal law, nothing in this Section 7.3 shall be construed as permission to withhold relevant customer data from the City that the City requests in conjunction with a tax audit or review; provided, however, Franchisee may redact identifying information such as names, street addresses (excluding City and zip code), Social Security Numbers, or Employer Identification Numbers related to any confidentiality agreements Franchisee has with third parties.

Section 7.4 Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature; provided, however, Franchisee shall disclose such information to comply with a utility tax audit, in the event the City is permitted to charge fees as further described in Section 15.1, or as otherwise required in this Franchise. Franchisee shall be responsible for clearly and conspicuously identifying the work as confidential or proprietary, and shall provide a brief written explanation as to why such information is confidential and how it may be treated as such under State or federal law. In the event that the City receives a public records request under Chapter 42.56 RCW or similar law for the disclosure of information Franchisee has designated as confidential, trade secret, or proprietary, the City shall promptly provide written notice of such disclosure so that Franchisee can take appropriate steps to protect its interests. Nothing in this Section 7.4 prohibits the City from complying with Chapter 42.56 RCW or any other applicable law or court order requiring the release of public

records, and the City shall not be liable to Franchisee for compliance with any law or court order requiring the release of public records. The City shall comply with any injunction or court order obtained by Franchisee that prohibits the disclosure of any such confidential records; however, in the event a higher court overturns such injunction or court order and such higher court action is or has become final and non-appealable, Franchisee shall reimburse the City for any fines or penalties imposed for failure to disclose such records as required hereunder within sixty (60) days of a request from the City.

Section 7.5 On an annual basis, upon thirty (30) days prior written notice, the City shall have the right to conduct an independent audit of Franchisee's records reasonably related to the administration or enforcement of this Franchise, in accordance with GAAP. If the audit shows that fee payments have been underpaid by three percent (3%) or more, Franchisee shall pay the total cost of the audit.

Section 8 Work in the Rights-of-Way.

Section 8.1 During any period of relocation, construction or maintenance, all work performed by Franchisee or its contractors shall be accomplished in a safe and workmanlike manner, so to minimize interference with the free passage of traffic and the free use of adjoining property, whether public or private. Franchisee shall at all times post and maintain proper barricades, flags, flaggers, lights, flares and other measures as required for the safety of all members of the general public and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or the laws of the State of Washington, including RCW 39.04.180 for the construction of trench safety systems. The provisions of this Section 8 shall survive the expiration or termination of this Franchise ordinance.

Section 8.2 Whenever Franchisee shall commence work in any public Rights-of-Way for the purpose of excavation, installation, construction, repair, maintenance, or relocation of its Facilities, it shall apply to the City for a permit to do so and, in addition to receiving the permit, shall give the City at least ten (10) working days prior notice (except in the case of an emergency) of its intent to commence work in the Rights-of-Way. During the progress of the work, the Franchisee shall not unnecessarily obstruct the passage or proper use of the Rights-of-

Way, and all work by the Franchisee in the area shall be performed in accordance with applicable City Public Works Engineering and Construction Standards and warranted for a period of two (2) years. In no case shall any work commence within any Rights-of-Way without a permit, except as otherwise provided in this Franchise ordinance.

Section 8.3 If the Franchisee shall at any time plan to make excavations in any area covered by this Franchise and as described in this Section 8.3, the Franchisee shall afford the City an opportunity to share such excavation, PROVIDED THAT:

(a) Such joint use shall not unreasonably delay the work of the Franchisee causing the excavation to be made;

(b) Such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties; and

(c) Franchisee may deny such request for safety reasons.

Section 8.4 Except for emergency situations, Franchisee shall give at least seven (7) days' prior notice of intended construction to residents immediately adjacent to the Right-of-Way. Such notice shall contain the dates, contact number, nature and location of the work to be performed. Following performance of the work, Franchisee shall restore the Right-of-Way to City standards in effect at the time of construction except for any change in condition not caused by Franchisee. Any disturbance of landscaping, fencing, or other improvements on private property caused by Franchisee's work shall, at the sole expense of Franchisee, be promptly repaired and restored to the reasonable satisfaction of the property owner/resident. Notwithstanding the above, nothing herein shall give Franchisee the right to enter onto private property without the permission of such private property owner, or as otherwise authorized by applicable law.

Section 8.5 Franchisee may trim trees upon and overhanging on public ways, streets, alleys, sidewalks, and other public places of the City so as to prevent the branches of such trees from coming in contact with Franchisee's Facilities. The right to trim trees in this Section 8.5 shall only apply to the extent necessary to protect above ground Facilities. Franchisee shall

ensure that its tree trimming activities protect the appearance, integrity, and health of the trees to the extent reasonably possible. All trimming should be accomplished equivalent to the most recent issue of "Standards of Pruning for Certified Arborists" as developed by the International Society of Arboriculture or its industry accepted equivalent (ANSI A300). Franchisee shall be responsible for all debris removal from such activities. All trimming, except in emergency situations, is to be done after the explicit prior written notification and approval of the City and at the expense of Franchisee. Franchisee may contract for such services, however, any firm or individual so retained must first receive City permit approval prior to commencing such trimming. Nothing herein grants Franchisee any authority to act on behalf of the City, to enter upon any private property, or to trim any tree or natural growth not owned by the City. Franchisee shall be solely responsible and liable for any damage to any third parties' trees or natural growth caused by Franchisee's actions. Franchisee shall indemnify, defend and hold harmless the City from third-party claims of any nature arising out of any act or negligence of Franchisee with regard to tree and/or natural growth trimming, damage, and/or removal. Franchisee shall reasonably compensate the City or the property owner for any damage caused by trimming, damage, or removal by Franchisee. Except in an emergency situation, all tree trimming must be performed under the direction of an arborist certified by the International Society of Arboriculture, unless otherwise approved by the City Engineer or his/her designee.

Section 8.6 Franchisee shall meet with the City and other franchise holders and users of the Rights-of-Way upon written notice as determined by the City, to schedule and coordinate construction in the Rights-of-Way. All construction locations, activities, and schedules shall be coordinated, as ordered by the City to minimize public inconvenience, disruption or damages.

Section 8.7 Franchisee shall inform the City with at least thirty (30) days' advance written notice that it is constructing, relocating, or placing ducts or conduits in the Rights-of-Way and provide the City with an opportunity to request that Franchisee provide the City with additional duct or conduit and related structures necessary to access the conduit pursuant to RCW 35.99.070.

Section 8.8 Franchisee shall maintain all above ground improvements that it places on City Rights-of-Way pursuant to this Franchise. In order to avoid interference with the City's

ability to maintain the Right-of-Way, Franchisee shall provide a clear zone of five (5) feet on all sides of such improvements and ten (10) feet from above-ground City water facilities. If Franchisee fails to comply with this provision, and by its failure, property is damaged, then Franchisee shall be responsible for all damages caused thereby, including restoration.

Section 9 One Call Locator Service. Prior to doing any work in the Rights-of-Way, the Franchisee shall follow established procedures, including contacting the Utility Notification Center in Washington and comply with all applicable State statutes regarding the One Call Locator Service pursuant to Chapter 19.122 RCW. The City shall not be liable for any damages to Franchisee's Facilities or for interruptions in service to Franchisee's customers that are a direct result of Franchisee's failure to locate its Facilities within the prescribed time limits and guidelines established by the One Call Locator Service regardless of whether the City issued a permit.

Section 10 Safety Requirements.

Section 10.1 Franchisee shall, at all times, employ professional care and shall install and maintain and use industry-standard methods for preventing failures and accidents that are likely to cause damage, injuries, or nuisances to the public. All structures and all lines, equipment, and connections in, over, under, and upon the Rights-of-Ways, wherever situated or located, shall at all times be kept and maintained in a safe condition. Franchisee shall comply with all federal, State, and City safety requirements, rules, regulations, laws, and practices, and employ all necessary devices as required by applicable law during the construction, operation, maintenance, upgrade, repair, or removal of its Facilities. By way of illustration and not limitation, Franchisee shall also comply with the applicable provisions of the National Electric Code, National Electrical Safety Code, Federal Communications Commission ("FCC") regulations, and Occupational Safety and Health Administration (OSHA) Standards. Upon reasonable notice to Franchisee, the City reserves the general right to inspect the Facilities to evaluate if they are constructed and maintained in a safe condition.

Section 10.2 If an unsafe condition or a violation of Section 10.1 is found to exist, and becomes known to the City, the City agrees to give Franchisee written notice of such condition and afford Franchisee a reasonable opportunity to repair the same. If Franchisee fails to start to

make the necessary repairs and alterations within the time frame specified in such notice (and pursue such cure to completion), then the City may make such repairs or contract for them to be made. All costs, including administrative costs, incurred by the City in repairing any unsafe conditions shall be borne by Franchisee and reimbursed to the City pursuant to Section 14.3 and Section 14.4.

Section 10.3 Additional safety standards include:

(a) Franchisee shall endeavor to maintain all equipment lines and facilities in an orderly manner, including, but not limited to, the removal of all bundles of unused cable on any aerial facilities.

(b) All installations of equipment, lines, and ancillary facilities shall be installed in accordance with industry-standard engineering practices and shall comply with all federal, State, and local regulations, ordinances, and laws.

(c) Any opening or obstruction in the Rights-of-Way or other public places made by Franchisee in the course of its operations shall be protected by Franchisee at all times by the placement of adequate barriers, fences, or boarding, the bounds of which, during periods of dusk and darkness, shall be clearly marked and visible.

Section 10.4 Stop Work Order. On notice from the City that any work is being performed contrary to the provisions of this Franchise, or in an unsafe or dangerous manner as determined by the City, or in violation of the terms of any applicable permit, laws, regulations, ordinances, or standards, the work may immediately be stopped by the City. The stop work order shall:

- (a) Be in writing;
- (b) Be given to the person doing the work or posted on the work site;
- (c) Be sent to Franchisee by overnight delivery;
- (d) Indicate the nature of the alleged violation or unsafe condition; and
- (e) Establish conditions under which work may be resumed.

Section 11 Work of Contractors and Subcontractors. Franchisee's contractors and subcontractors shall be licensed and bonded in accordance with State law and the City's ordinances, regulations, and requirements. Work by contractors and subcontractors are subject to the same restrictions, limitations, and conditions as if the work were performed by Franchisee. Franchisee shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf as if the work were performed by Franchisee and shall ensure that all such work is performed in compliance with this Franchise and applicable law.

Section 12 Restoration after Construction.

Section 12.1 Franchisee shall, after installation, construction, relocation, maintenance, or repair of its Facilities, or after abandonment approved pursuant to Section 18, promptly remove any obstructions from the Rights-of-Way and restore the surface of the Rights-of-Way to City standards in effect at the time of installation, construction, relocation, maintenance or repair, provided Franchisee shall not be responsible for any changes to the Rights-of-Way not caused by Franchisee or anyone doing work for Franchisee. The City Manager or his/her designee shall have final approval of the condition of such Rights-of-Way after restoration. All concrete encased survey monuments that have been disturbed or displaced by such work shall be restored pursuant to federal, state (Chapter 332-120 WAC), and local standards and specifications.

Section 12.2 Franchisee agrees to promptly complete all restoration work and to promptly repair any damage caused by work to the Franchise Area or other affected area at its sole cost and expense and according to the time and terms specified in the construction permit issued by the City. All work by Franchisee pursuant to this Franchise shall be performed in accordance with applicable City Public Works Engineering and Construction Standards and warranted for a period of two (2) years and for undiscovered defects as is standard and customary for this type of work.

Section 12.3 If conditions (e.g. weather) make the complete restoration required under Section 12 impracticable, Franchisee shall temporarily restore the affected Right-of-Way or property. Such temporary restoration shall be at Franchisee's sole cost and expense. Franchisee shall promptly undertake and complete the required permanent restoration when conditions no longer make such permanent restoration impracticable.

Section 12.4 In the event Franchisee does not repair a Right-of-Way or an improvement in or to a Right-of-Way within the time agreed to by the City Engineer, or his/her designee, the City may repair the damage and shall be reimbursed its actual cost within sixty (60) days of submitting an invoice to Franchisee in accordance with the provisions of Section 14.3 and Section 14.4. In addition, and pursuant to Section 14.3 and Section 14.4, the City may bill Franchisee for expenses associated with the inspection of such restoration work. The failure by Franchisee to complete such repairs shall be considered a breach of this Franchise and is subject to remedies by the City including the imposition of damages consistent with Section 22.2.

Section 12.5 The provisions of this Section 12 shall survive the expiration or termination of this Franchise so long as Franchisee continues to have Facilities in the Rights-of-Way and has not completed all restoration to the City's standards.

Section 13 Emergency Work/Dangerous Conditions.

Section 13.1 In the event of any emergency in which any of Franchisee's Facilities located in or under any street breaks, becomes damaged, or if Franchisee's construction area is otherwise in such a condition as to immediately endanger the property, life, health or safety of any individual, Franchisee shall immediately take the proper emergency measures to repair its Facilities, to cure or remedy the dangerous conditions for the protection of property, life, health or safety of individuals without first applying for and obtaining a permit as required by this Franchise. However, this shall not relieve Franchisee from the requirement of obtaining any permits necessary for this purpose, and Franchisee shall apply for all such permits not later than the next succeeding day during which the Puyallup City Hall is open for business. The City retains the right and privilege to cut or move any Facilities located within the Rights-of-Way of the City, as the City may determine to be necessary, appropriate or useful in response to any public health or safety emergency.

Section 13.2 The City shall not be liable for any damage to or loss of Facilities within the Rights-of-Way as a result of or in connection with any public works, public improvements, construction, grading, excavation, filling, or work of any kind in the Rights-of-Way by or on behalf of the City, except to the extent directly and proximately caused by the gross negligence or willful acts of the City, its employees, contractors, or agents. The City shall further not be

liable to Franchisee for any direct, indirect, or any other such damages suffered by any person or entity of any type as a direct or indirect result of the City's actions under this Section 13 except to the extent caused by the gross negligence or willful acts of the City, its employees, contractors, or agents.

Section 13.3 Whenever the construction, installation or excavation of Facilities authorized by this Franchise has caused or contributed to a condition that appears to substantially impair the lateral support of the adjoining street or public place, or endangers the public, an adjoining public place, street utilities or City property, the City Engineer may direct Franchisee, at Franchisee's own expense, to take reasonable action to protect the public, adjacent public places, City property or street utilities, and such action may include compliance within a prescribed time. In the event that Franchisee fails or refuses to promptly take the actions directed by the City, or fails to fully comply with such directions, or if emergency conditions exist which require immediate action, before the City can timely contact Franchisee to request Franchisee effect the immediate repair, the City may enter upon the property and take such reasonable actions as are necessary to protect the public, the adjacent streets, or street utilities, or to maintain the lateral support thereof, or reasonable actions regarded as necessary safety precautions, and Franchisee shall be liable to the City for the costs thereof.

Section 14 Recovery of Costs:

Section 14.1 Franchisee shall pay a one-time fee for the actual administrative expenses incurred by the City that are directly related to the receiving and approving this Franchise pursuant to RCW 35.21.860, including the costs associated with the City's legal costs incurred in drafting and processing this Franchise. No construction permits shall be issued for the installation of Facilities authorized until such time as the City has received payment of this fee. Franchisee shall further be subject to all permit fees associated with activities undertaken through the authority granted in this Franchise or under the laws of the City. Where the City incurs costs and expenses for review, inspection, or supervision of activities, including but not limited to reasonable fees associated with attorneys, consultants, City Staff and City Attorney time, undertaken through the authority granted in this Franchise or any ordinances relating to the

subject for which a permit fee is not established, Franchisee shall pay such costs and expenses directly to the City in accordance with the provisions of Section 14.3.

Section 14.2 In addition to Section 14, Franchisee shall promptly reimburse the City in accordance with the provisions of Section 14.3 and Section 14.4 for any and all costs the City reasonably incurs in response to any emergency situation involving Franchisee's Facilities, to the extent said emergency is not the fault of the City. The City agrees to simultaneously seek reimbursement from any franchisee or permit holder who caused or contributed to the emergency situation.

Section 14.3 Franchisee shall reimburse the City within sixty (60) days of submittal by the City of an itemized billing for reasonably incurred costs, itemized by project, for Franchisee's proportionate share of all actual, identified expenses incurred by the City in planning, constructing, installing, repairing, altering, or maintaining any City facility as the result of the presence of Franchisee's Facilities in the Right-of-Way. Such costs and expenses shall include but not be limited to Franchisee's proportionate cost of City personnel assigned to oversee or engage in any work in the Right-of-Way as the result of the presence of Franchisee's Facilities in the Right-of-Way. Such costs and expenses shall also include Franchisee's proportionate share of any time spent reviewing construction plans in order to either accomplish the relocation of Franchisee's Facilities or the routing or rerouting of any utilities so as not to interfere with Franchisee's Facilities.

Section 14.4 The time of City employees shall be charged at their respective rate of salary, including overtime if applicable, plus benefits and reasonable overhead. Any other costs will be billed proportionately on an actual cost basis. All billings will be itemized so as to specifically identify the costs and expenses for each project for which the City claims reimbursement. A charge for the actual costs incurred in preparing the billing may also be included in said billing. At the City's option, the billing may be on an annual basis, but the City shall provide the Franchisee with the City's itemization of costs, in writing, at the conclusion of each project for information purposes.

Section 15 City's Reservation of Rights.

Section 15.1 Franchisee hereby warrants that its operations as authorized under this Franchise are those of a telephone business as defined in RCW 82.16.010, or service provider as defined in RCW 35.21.860. As a result, the City will not impose a Franchise fee under the terms of this Franchise, other than as described herein. The City hereby reserves its right to impose a Franchise fee on Franchisee if Franchisee's operations as authorized by this Franchise change such that the statutory prohibitions of RCW 35.21.860 no longer apply or, if statutory prohibitions on the imposition of such fees are removed. In either instance, the City also reserves its right to require that Franchisee obtain a separate Franchise for its change in use, which Franchise may include provisions intended to regulate Franchisee's operations, as allowed under applicable law. Nothing contained herein shall preclude Franchisee from challenging any such new fee or separate agreement under applicable federal, State, or local laws.

Section 15.2 Franchisee acknowledges that its operation with the City constitutes a telecommunication business subject to the utility tax imposed pursuant to the Puyallup Municipal Code Chapter 5.10 in the event Franchisee provides Services within the City of Puyallup. Franchisee stipulates and agrees that to the extent its business activities are subject to taxation as a telecommunication business Franchisee shall pay to the City the rate applicable to such taxable services under Puyallup Municipal Code Chapter 5.08, and consistent with state and federal law. The parties agree however, that nothing in this Franchise shall limit the City's power of taxation as may exist now or as later imposed by the City. This provision does not limit the City's power to amend Puyallup Municipal Code Chapter 5.10 as may be permitted by law. Nothing in this Franchise is intended to alter, amend, modify or expand the taxes and fees that may be lawfully assessed on Franchisee's Services under applicable law.

Section 16 Indemnification.

Section 16.1 Franchisee releases, covenants not to bring suit, and agrees to indemnify, defend, and hold harmless the City, its officers, employees, agents, and representatives from any and all claims, costs, judgments, awards, or liability to any person or entity, for injury or death of any person, or damage to property caused by or arising out of any acts or omissions of Franchisee, its agents, servants, officers, or employees in the performance of this Franchise and any rights granted within this Franchise.

Section 16.2 Inspection or acceptance by the City of any work performed by Franchisee at the time of completion of construction shall not be grounds for avoidance by Franchisee of any of its obligations under this Section 16. These indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be compromised, with Franchisee's prior written consent, prior to the culmination of any litigation or the institution of any litigation.

Section 16.3 The City shall promptly notify Franchisee of any claim or suit and request in writing that Franchisee indemnify the City. Franchisee may choose counsel to defend the City subject to this Section 16.3. City's failure to so notify and request indemnification shall not relieve Franchisee of any liability that Franchisee might have, except to the extent that such failure prejudices Franchisee's ability to defend such claim or suit. In the event that Franchisee refuses the tender of defense in any suit or any claim, as required pursuant to the indemnification provisions within this Franchise, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal on the part of Franchisee, Franchisee shall pay all of the City's reasonable costs for defense of the action, including all expert witness fees, costs, and attorney's fees, and including costs and fees incurred in recovering under this indemnification provision. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the City and the counsel selected by Franchisee to represent the City, then upon the prior written approval and consent of Franchisee, which shall not be unreasonably withheld, the City shall have the right to employ separate counsel in any action or proceeding and to participate in the investigation and defense thereof, and Franchisee shall pay the reasonable fees and expenses of such separate counsel, except that Franchisee shall not be required to pay the fees and expenses of separate counsel on behalf of the City for the City to bring or pursue any counterclaims or interpleader action, equitable relief, restraining order or injunction. The City's fees and expenses shall include all out-of-pocket expenses, such as consultants and expert witness fees, and shall also include the reasonable value of any services rendered by the counsel retained by the City but shall not include outside attorneys' fees for services that are unnecessarily duplicative of services provided the City by Franchisee. Each party agrees to cooperate and to cause its employees and agents to cooperate with the other party in the defense of any such claim and the relevant records of each party shall be available to the other party with respect to any such defense.

Section 16.4 Except to the extent that damage or injury arises from the gross negligence or willful misconduct, malicious actions of the City, its employees or contractors and/or that of a third party pole owner to which Franchisee attaches its Facilities, the obligations of Franchisee under the indemnification provisions of this Section 16 shall apply regardless of whether liability for damages arising out of bodily injury to persons or damages to property were caused or contributed to by the concurrent negligence of the City, its officers, agents, employees or contractors. Notwithstanding the proceeding sentence, to the extent the provisions of RCW 4.24.115 are applicable, the parties agree that the indemnity provisions hereunder shall be deemed amended to conform to said statute and liability shall be allocated as provided therein. It is further specifically and expressly understood that the indemnification provided constitutes Franchisee's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification, relating solely to indemnity claims made by the City directly against the Franchisee for claims made against the City by Franchisee's employees. This waiver has been mutually negotiated by the parties.

Section 16.5 Notwithstanding any other provisions of this Section 16, Franchisee assumes the risk of damage to its Facilities located in the Right-of-Way and upon City-owned property from activities conducted by the City, its officers, agents, employees, volunteers, elected and appointed officials, and contractors, except to the extent any such damage or destruction is caused by or arises from any grossly negligent, willful, or criminal actions on the part of the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors.

Section 16.6 Franchisee releases and waives any and all such claims against the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors. Franchisee further agrees to indemnify, hold harmless and defend the City against any claims for damages, including, but not limited to, business interruption damages, lost profits and consequential damages, brought by or under users of Franchisee's Facilities as the result of any interruption of service due to damage or destruction of Franchisee's Facilities caused by or arising out of activities conducted by the City, its officers, agents, employees or contractors, except to the extent any such damage or destruction is caused by or arises from the gross

negligence or any willful, or criminal actions on the part of the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors.

Section 16.7 The provisions of this Section 16 shall survive the expiration, revocation, or termination of this Franchise.

Section 17 Insurance.

Section 17.1 Franchisee shall procure and maintain for so long as Franchisee has Facilities in the Right-of-Way, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of rights, privileges and authority granted to Franchisee, its agents representatives or employees. Franchisee shall require that every subcontractor maintain insurance coverage and policy limits consistent with this Section 17. Franchisee shall procure insurance from insurers with a current A.M. Best rating of not less than A-. Franchisee shall provide a copy of a certificate of insurance and additional insured endorsement to the City for its inspection at the time of or prior to acceptance of this Franchise, and such insurance certificate shall evidence a policy of insurance that includes:

(a) Automobile Liability insurance with limits no less than \$2,000,000 combined single limit per occurrence for bodily injury and property damage. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form that provides equivalent liability coverage.

(b) Commercial General Liability insurance, written on an occurrence basis with limits no less than \$3,000,000 combined single limit per occurrence and \$5,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; premises; operations; independent contractors; stop gap liability; personal injury; products and completed operations; broad form property damage; explosion, collapse and underground (XCU); and employer's liability. Commercial General Liability insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover products liability. The City shall be named as an additional insured under Grantee's Commercial General

Liability insurance policy using ISO Additional Insured-State or Political Subdivisions-Permits CG 20 12 or a substitute endorsement providing equivalent coverage.

(c) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington. No deductible is presently required for this insurance; and

(d) Umbrella liability policy with limits not less than \$10,000,000 per occurrence and in the aggregate.

Section 17.2 Any deductibles or self-insured retentions must be declared to and approved by the City. Such approval shall not be unreasonably withheld or delayed. The City acknowledges that Franchisee's current deductibles are subject to change based on business needs and the commercial insurance market. Payment of deductible or self-insured retention shall be the sole responsibility of Franchisee. Additionally, Franchisee shall pay all premiums for the insurance on a timely basis. Franchisee may utilize primary and umbrella liability insurance policies to satisfy the insurance policy limits required in this Section 17. Franchisee's umbrella liability insurance policy shall provide "follow form" coverage over its primary liability insurance policies.

Section 17.3 The insurance policies, with the exception of Workers' Compensation obtained by Franchisee shall name the City, its officers, officials, employees, agents, and volunteers ("Additional Insureds"), as an additional insured with regard to activities performed by or on behalf of Franchisee and on the forms described in Section 17.1 above. The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability. Franchisee shall provide to the City prior to or upon acceptance either (1) a true copy of the additional insured endorsement for each insurance policy required in this Section 17 and providing that such insurance shall apply as primary insurance on behalf of the Additional Insureds or (2) a true copy of the blanket additional insured clause from the policies. Receipt by the City of any certificate showing less coverage than required is not a waiver of Franchisee's obligations to fulfill the requirements. Franchisee's insurance shall be primary insurance with respect to the Additional Insureds, and the endorsement should

specifically state that the insurance is the primary insurance. Any insurance maintained by the Additional Insureds shall be in excess of Franchisee's insurance and shall not contribute with it.

Section 17.4 Franchisee is obligated to notify the City of any cancellation or intent not to renew any insurance policy, required pursuant to this Section 17, thirty (30) days prior to any such cancellation. Within fifteen (15) days prior to said cancellation or intent not to renew, Franchisee shall obtain and furnish to the City replacement insurance policies meeting the requirements of this Section 17. Failure to provide the insurance cancellation notice and to furnish to the City replacement insurance policies meeting the requirements of this Section 17 shall be considered a material breach of this Franchise and subject to the City's election of remedies described in Section 22 below. Notwithstanding the cure period described in Section 22.2, the City may pursue its remedies immediately upon a failure to furnish replacement insurance.

Section 17.5 Franchisee's maintenance of insurance as required by this Section 17 shall not be construed to limit the liability of Franchisee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or equity. Further, Franchisee's maintenance of insurance policies required by this Franchise shall not be construed to excuse unfaithful performance by Franchisee.

Section 17.6 As of the effective date of this Franchise, Franchisee is a partially self-insured entity with coverage for commercial general liability, business auto, and personal property loss up to \$1,000,000.00. In lieu of obtaining and maintaining insurance policies for the same coverage types referenced above and up to the limits of its self-insured fund, Franchisee will provide written evidence to the City to confirm said self-insurance fund and the availability of same to cover such loss types. With respect to Franchisee's self-insured status, it is mutually agreed that (i) the City, upon request, may review Franchisee's financial statements; (ii) Franchisee is responsible for all payments within the self-insured retention; and (iii) Franchisee assumes all defense and indemnity obligations as outlined in the indemnification section of this Franchise. These requirements may be modified by written amendment executed by both parties.

Section 18 Abandonment of Franchisee's Telecommunications Fiber Optic Cable Network.

Section 18.1 Upon the expiration, termination, or revocation of the rights granted under this Franchise, Franchisee shall remove all of its Facilities from the Right-of-Way within thirty (30) days of receiving written notice from the City Engineer or his/her designee. The Facilities, in whole or in part, may not be abandoned by Franchisee without written approval by the City. Any plan for abandonment or removal of Franchisee's Facilities must be first approved by the City Engineer or his/her designee, and all necessary permits must be obtained prior to such work. Franchisee shall restore the Right-of-Way to the City standards in effect at the time of any such installation, construction, relocation, maintenance or repair, provided Franchisee shall not be responsible for any changes to the Right-of-Way not caused by Franchisee or any person doing work for Franchisee. Franchisee shall be solely responsible for all costs associated with removing its Facilities.

Section 18.2 Notwithstanding Section 18.1 above, the City may permit Franchisee's improvements to be abandoned and placed in such a manner as the City may prescribe. Upon permanent abandonment, and Franchisee's agreement to transfer ownership of the Facilities to the City, Franchisee shall submit to the City a proposal and instruments for transferring ownership to the City.

Section 18.3 Any Facilities which are not removed within one hundred (120) days of either the date of termination or revocation or the date the City issued a permit authorizing removal, whichever is later, shall automatically become the property of the City. Any costs incurred by the City in safeguarding such Facilities or removing the Facilities shall be reimbursed by Franchisee. Nothing contained within this Section 18 shall prevent the City from compelling Franchisee to remove any such Facilities through judicial action when the City has not permitted Franchisee to abandon said Facilities in place. The provisions of this Section 18 shall survive the expiration, revocation, or termination of this Franchise.

Section 18.4 If Franchisee leases a structure in the Right-of-Way from a landlord and such landlord later abandons the structure, for example by building a replacement structure or because the landlord's facilities have moved underground, Franchisee shall remove or relocate its Facilities within the Public Ways within ninety (90) days of such notification from the landlord.

Section 18.5 The provisions of this Section 18 shall survive the expiration, revocation, or termination of this Franchise and for so long as Franchisee has Facilities in Rights-of-Way.

Section 19 Bonds.

Section 19.1 Construction Performance Bond. If required by the City Engineer or his/her designee, and except as prohibited by RCW 35.21.470, Franchisee shall furnish a performance bond ("Performance Bond") written by a corporate surety reasonably acceptable to the City equal to at least 150% of the estimated cost of constructing Franchisee's Facilities within the Rights-of-Way of the City prior to commencement of any such work or such other amount as deemed appropriate by the City Engineer. The Performance Bond shall guarantee the following: (1) timely completion of construction; (2) construction in compliance with all applicable plans, permits, technical codes, and standards; (3) proper location of the Facilities as specified by the City; (4) restoration of the Rights-of-Way and other City properties affected by the construction; (5) submission of as-built drawings after completion of construction; and (6) timely payment and satisfaction of all claims, demands, or liens for labor, materials, or services provided in connection with the work which could be asserted against the City or City property. Said bond must remain in full force until the completion of construction, including final inspection, corrections, and final approval of the work, recording of all easements, provision of as-built drawings, and the posting of a Maintenance Bond as described in Section 19.2. Compliance with the Performance Bond requirement of the City's current Public Works Engineering and Construction Standards shall satisfy the provisions of this Section 19.1. Upon approval from the City Engineer, Franchisee may furnish a Performance Bond to cover all work within the Right-of-Way.

Section 19.2 Maintenance Bond. Except as prohibited by RCW 35.21.470, Franchisee shall furnish a two (2) year maintenance bond ("Maintenance Bond"), or other surety acceptable to the City, at the time of final acceptance of construction work on Facilities within the Rights-of-Way. The Maintenance Bond amount will be equal to ten percent (10%) of the documented final cost of the construction work. The Maintenance Bond in this Section 19.2 must be in place prior to City's release of the bond required by Section 19.1. Compliance with the Maintenance

Bond requirement of the City's current Design and Construction Standards shall satisfy the provisions of this Section 19.2.

Section 19.3 Franchise Bond. Except as prohibited by RCW 35.21.470, Franchisee shall provide City with a bond in the amount of Fifty Thousand Dollars (\$50,000.00) ("Franchise Bond") running or renewable for the term of this Franchise, in a form and substance reasonably acceptable to City. In the event Franchisee shall fail to substantially comply with any one or more of the provisions of this Franchise following notice and a reasonable opportunity to cure, then there shall be recovered jointly and severally from Franchisee and the bond any actual damages suffered by City as a result thereof, including but not limited to staff time, material and equipment costs, compensation or indemnification of third parties, and the cost of removal or abandonment of facilities hereinabove described. Franchisee specifically agrees that its failure to comply with the terms of this Section 19 shall constitute a material breach of this Franchise. The amount of the bond shall not be construed to limit Franchisee's liability or to limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

Section 20 Modification. The City and Franchisee hereby reserve the right to alter, amend, or modify the terms and conditions of this Franchise upon written agreement of both parties to such alteration, amendment or modification.

Section 21 Forfeiture and Revocation. If Franchisee willfully violates or fails to comply with any of the provisions of this Franchise, or through willful misconduct or gross negligence fails to heed or comply with any notice given Franchisee by the City under the provisions of this Franchise, then Franchisee shall, at the election of the Puyallup City Council, forfeit all rights conferred hereunder and this Franchise may be revoked or annulled by the Council after a hearing held upon notice to Franchisee.

Section 22 Remedies to Enforce Compliance.

Section 22.1 The City may elect, without any prejudice to any of its other legal rights and remedies, to obtain an order from the superior court having jurisdiction compelling Franchisee to comply with the provisions of the Franchise and to recover damages and costs incurred by the City by reason of Franchisee's failure to comply. In addition to any other

remedy provided herein, the City reserves the right to pursue any remedy to compel or force Franchisee and/or its successors and assigns to comply with the terms hereof, and the pursuit of any right or remedy by the City shall not prevent the City from thereafter declaring a forfeiture or revocation for breach of the conditions herein. Provided, further, that by entering into this Franchise, it is not the intention of the City or Franchisee to waive any other rights, remedies, or obligations as otherwise provided by law equity, or otherwise, and nothing contained here shall be deemed or construed to effect any such waiver.

Section 22.2 If Franchisee shall violate, or fail to comply with any of the provisions of this Franchise, or should it fail to heed or comply with any notice given to Franchisee under the provisions of this Franchise, the City shall provide Franchisee with written notice specifying with reasonable particularity the nature of any such breach and Franchisee shall undertake all commercially reasonable efforts to cure such breach within thirty (30) days of receipt of notification. If the parties reasonably determine the breach cannot be cured within (30) thirty days, the City may specify a longer cure period, and condition the extension of time on Franchisee's submittal of a plan to cure the breach within the specified period, commencement of work within the original thirty (30) day cure period, and diligent prosecution of the work to completion. If the breach is not cured within the specified time, or Franchisee does not comply with the specified conditions, City may, at its discretion, (1) commence revocation proceedings, pursuant to Section 21, or (2) claim damages of Two Hundred Fifty Dollars (\$250.00) per day against the Franchise Bond set forth in Section 19.3, or (3) pursue other remedies as described in Section 22.1 above.

Section 23 Non-Waiver. The failure of the City to insist upon strict performance of any of the covenants and agreements of this Franchise or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such covenants, agreements or option or any other covenants, agreements or option.

Section 24 City Ordinances and Regulations. Nothing herein shall be deemed to restrict the City's ability to adopt and enforce all necessary and appropriate ordinances regulating the performance of the conditions of this Franchise, including any valid ordinance made in the exercise of its police powers in the interest of public safety and for the welfare of the public. The

City shall have the authority at all times to reasonably control by appropriate regulations the location, elevation, manner of construction and maintenance of Facilities by Franchisee, and Franchisee shall promptly conform with all such regulations, unless compliance would cause Franchisee to violate other requirements of law. In the event of a conflict between the provisions of this Franchise ordinance and any other ordinance(s) enacted under the City's police power authority, such other ordinances(s) shall take precedence over the provisions set forth herein.

Section 25 Cost of Publication. The cost of publication of this Franchise ordinance shall be borne by Franchisee.

Section 26 Acceptance. Franchisee shall execute and return to the City its execution and acceptance of this Franchise in the form attached hereto as Exhibit B. In addition, Franchisee shall submit proof of insurance obtained and additional insured endorsement pursuant to Section 17, any construction Performance Bond pursuant to Section 19.1, if applicable, and any Franchise Bond required pursuant to Section 19.3, if applicable. The administrative fee pursuant to Section 14.1 is due within thirty days of receipt of the invoice from the City.

Section 27 Survival. All of the provisions, conditions, and requirements of Section 5, Section 6, Section 8, Section 12, Section 16, Section 19, Section 27, Section 28, and Section 39.2 of this Franchise shall be in addition to any and all other obligations and liabilities Franchisee may have to the City at common law, by statute, or by contract, and shall survive the City's Franchise to Franchisee for the use of the Franchise Area, and any renewals or extensions thereof. All of the provisions, conditions, regulations and requirements contained in this Franchise ordinance shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of Franchisee and all privileges, as well as all obligations and liabilities of Franchisee shall inure to its heirs, successors and assigns equally as if they were specifically mentioned where Franchisee is named herein.

Section 28 Assignment.

Section 28.1 This Franchise may not be directly or indirectly assigned, transferred, or disposed of by sale, lease, merger, consolidation or other act of Franchisee, by operation of law or otherwise, unless approved in writing by the City, which approval shall not be unreasonably withheld, conditioned or delayed. The above notwithstanding, Franchisee may freely assign this

Franchise in whole or in part to a parent, subsidiary, or affiliated entity, unless there is a change of control as described in Section 28.2 below, or for collateral security purposes. Franchisee shall provide prompt, written notice to the City of any such assignment. In the case of transfer or assignment as security by mortgage or other security instrument in whole or in part to secure indebtedness, such consent shall not be required unless and until the secured party elects to realize upon the collateral. For purposes of this Section 28, no assignment or transfer of this Franchise shall be deemed to occur based on the public trading of Franchisee's stock; provided, however, any tender offer, merger, or similar transaction resulting in a change of control shall be subject to the provisions of this Franchise.

Section 28.2 Any transactions that singularly or collectively result in a change of more than fifty percent (50%) of the: ultimate ownership or working control of Franchisee, ownership or working control of the Facilities, ownership or working control of affiliated entities having ownership or working control of Franchisee or of the Facilities, or of control of the capacity or bandwidth of Franchisee's Facilities, shall be considered an assignment or transfer requiring City approval. Transactions between affiliated entities are not exempt from City approval if there is a change in control as described in the preceding sentence. Franchisee shall promptly notify the City prior to any proposed change in, or transfer of, or acquisition by any other party of control of Franchisee. Every change, transfer, or acquisition of control of Franchisee shall cause a review of the proposed transfer. The City shall approve or deny such request for an assignment or transfer requiring City's consent within one-hundred twenty (120) days of a completed application from Franchisee, unless a longer period of time is mutually agreed to by the parties or when a delay in the action taken by the City is due to the schedule of the City Council and action cannot reasonably be obtained within the one hundred twenty (120) day period. In the event that the City adopts a resolution denying its consent and such change, transfer, or acquisition of control has been affected, the City may revoke this Franchise, following the revocation procedure described in Section 21 above. The assignee or transferee must have the legal, technical, financial, and other requisite qualifications to own, hold, and operate Franchisee's Services. Franchisee shall reimburse the City for all direct and indirect costs and expenses reasonably incurred by the City in considering a request to transfer or assign this Franchise, in accordance with the provisions of Section 14.3 and Section 14.4, and shall pay the applicable application fee.

Section 28.3 Franchisee may, without prior consent from the City: (i) lease the Facilities, or any portion, to another person; (ii) grant an indefeasible right of user interest in the Facilities, or any portion, to another person; or (iii) offer to provide capacity or bandwidth in its Facilities to another person, provided further, that Franchisee shall at all times retain exclusive control over its Facilities and remain fully responsible for compliance with the terms of this Franchise, and Franchisee shall furnish, upon request from the City, a copy of any such lease or agreement, provided that Franchisee may redact the name, street address (except for City and zip code), Social Security Numbers, Employer Identification Numbers or similar identifying information, and other information considered confidential under applicable laws provided in such lease or agreement, and the lessee complies, to the extent applicable, with the requirements of this Franchise and applicable City codes. Franchisee's obligation to remain fully responsible for compliance with the terms under this Section 28.3 shall survive the expiration of this Franchise but only if and to the extent and for so long as Franchisee is still the owner or has exclusive control over the Facilities used by a third party.

Section 29 Extension. If this Franchise expires without renewal or is otherwise lawfully terminated or revoked, the City may, subject to applicable law:

(a) Allow Franchisee to maintain and operate its Facilities on a month-to-month basis, provided that Franchisee maintains insurance for such Facilities during such period and continues to comply with this Franchise; or

(b) The City may order the removal of any and all Facilities at Franchisee's sole cost and expense consistent with Section 18.

Section 30 Entire Agreement. This Franchise constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution of this Franchise.

Section 31 Eminent Domain. The existence of this Franchise shall not preclude the City from acquiring by condemnation in accordance with applicable law, all or a portion of the

Franchisee's Facilities for the fair market value thereof. In determining the value of such Facilities, no value shall be attributed to the right to occupy the area conferred by this Franchise.

Section 32 Vacation. If at any time the City, by ordinance, vacates all or any portion of the area affected by this Franchise, the City shall not be liable for any damages or loss to the Franchisee by reason of such vacation. The City shall notify the Franchisee in writing not less than sixty (60) days before vacating all or any portion of any such area. The City may, after sixty (60) days written notice to the Franchisee, terminate this Franchise with respect to such vacated area.

Section 33 Notice. Any Notice or information required or permitted to be given to the parties under this Franchise agreement may be sent to the following addresses unless otherwise specified:

CITY OF PUYALLUP
City Engineer
333 South Meridian
Puyallup, WA 98371

CITY OF TACOMA, DEPARTMENT OF
PUBLIC UTILITIES LIGHT DIVISION,
DBA CLICK! NETWORK
Attn: General Manager
3628 S. 35th St.
Tacoma, WA 98409

Section 34 Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance unless such invalidity or unconstitutionality materially alters the rights, privileges, duties, or obligations hereunder, in which event either party may request renegotiation of those remaining terms of this Franchise materially affected by such court's ruling.

Section 35 Compliance with All Applicable Laws. Franchisee agrees to comply with all present and future federal, state and local laws, ordinances, rules and regulations. This Franchise is subject to ordinances of general applicability enacted pursuant to the City's police powers. Franchisee further agrees to save and hold the City harmless from damage, loss or expense, arising out of the said use or work, unless caused by the City's gross negligence and to remove all liens and encumbrances arising as a result of said use or work. Franchisee shall, at its own expense, maintain its Facilities in a safe condition, in good repair and in a manner suitable to the

City. Additionally, Franchisee shall keep its Facilities free of debris and anything of a dangerous, noxious or offensive nature or which would create a hazard or undue vibration, heat, noise or any interference with City services. City reserves the right at any time to amend this Franchise to conform to any hereafter enacted, amended, or adopted federal or state statute or regulation relating to the public health, safety, and welfare, or relating to roadway regulation, or a City ordinance enacted pursuant to such federal or state statute or regulation upon providing Franchisee with thirty (30) days written notice of its action setting forth the full text of the amendment and identifying the statute, regulation, or ordinance requiring the amendment. Said amendment shall become automatically effective upon expiration of the notice period unless, before expiration of that period, Franchisee makes a written request for negotiations over the terms of the amendment. If the parties do not reach agreement as to the terms of the amendment within thirty (30) days of the call for negotiations, City may enact the proposed amendment, by incorporating Franchisee's concerns to the maximum extent City deems possible.

Section 36 Attorneys' Fees. If a suit or other action is instituted in connection with any controversy arising out of this Franchise, the prevailing party shall be entitled to recover all of its costs and expenses, including such sum as the court may judge as reasonable for attorneys' fees, costs, expenses and attorneys' fees upon appeal of any judgment or ruling.

Section 37 Hazardous Substances. Franchisee shall not introduce or use any hazardous substances (chemical or waste), in violation of any applicable law or regulation, nor shall Franchisee allow any of its agents, contractors or any person under its control to do the same. Franchisee will be solely responsible for and will defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from and against any and all claims, costs and liabilities including reasonable attorneys' fees and costs, arising out of or in connection with the cleanup or restoration of the property associated with Franchisee's use, storage, or disposal of hazardous substances, whether or not intentional, and the use, storage or disposal of such substances by Franchisee's agents, contractors or other persons acting under Franchisee's control, whether or not intentional.

Section 38 Licenses, Fees and Taxes. Prior to constructing any improvements, Franchisee shall obtain a business or utility license from the City. Franchisee shall pay promptly and before they become delinquent, all taxes on personal property and improvements owned or placed by

Franchisee and shall pay all license fees and public utility charges relating to the conduct of its business, shall pay for all permits, licenses and zoning approvals, shall pay any other applicable tax unless documentation of exemption is provided to the City and shall pay utility taxes and license fees imposed by the City.

Section 39 Miscellaneous.

Section 39.1 City and Franchisee respectively represent that its signatory is duly authorized and has full right, power and authority to execute this Franchise.

Section 39.2 This Franchise shall be construed in accordance with the laws of the State of Washington. Venue for any dispute related to this Franchise shall be the United States District Court for the Western District of Washington, or Pierce County Superior Court.

Section 39.3 Section captions and headings are intended solely to facilitate the reading thereof. Such captions and headings shall not affect the meaning or interpretation of the text herein.

Section 39.4 Where the context so requires, the singular shall include the plural and the plural includes the singular.

Section 39.5 Franchisee shall be responsible for obtaining all other necessary approvals, authorizations and agreements from any party or entity and it is acknowledged and agreed that the City is making no representation, warranty or covenant whether any of the foregoing approvals, authorizations or agreements are required or have been obtained by Franchisee by any person or entity.

Section 39.6 This Franchise may be enforced at both law and equity.

Section 39.7 Franchisee acknowledges that it, and not the City, shall be responsible for the premises and equipment's compliance with all marking and lighting requirements of the FAA and the FCC. Franchisee shall indemnify and hold the City harmless from any fines or other liabilities caused by Franchisee's failure to comply with such requirements. Should Franchisee or the City be cited by either the FCC or the FAA because the Facilities or the Franchisee's equipment is not in compliance and should Franchisee fail to cure the conditions of

noncompliance within the timeframe allowed by the citing agency, the City may either terminate this Franchise immediately on notice to the Franchisee or proceed to cure the conditions of noncompliance at the Franchisee's expense.

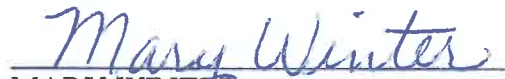
Section 40 Ordinance Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

APPROVED:



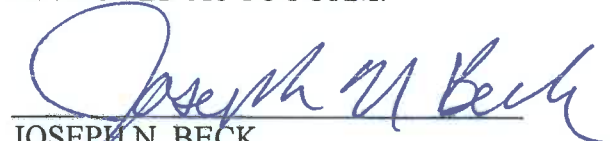
KEVIN YAMAMOTO
CITY MANAGER

ATTEST/AUTHENTICATED:



MARY WINTER
CITY CLERK

APPROVED AS TO FORM:



JOSEPH N. BECK
CITY ATTORNEY

FILED WITH THE CITY CLERK: August 16, 2017
PASSED BY THE CITY COUNCIL: August 22, 2017
PUBLISHED: August 25, 2017
EFFECTIVE DATE: August 30, 2017
ORDINANCE NO.: 3148

**CITY OF PUYALLUP
ORDINANCE SUMMARY NO. 3148**

Notice is hereby given that the Puyallup City Council did, on August 22 2017, pass Ordinance No. 3148. This ordinance grants a franchise to the City of Tacoma, Department of Public Utilities Light Division, dba. Click! Network for installing and maintaining a telecommunication network in City of Puyallup.

Anyone desiring a copy of the full text of the ordinance may obtain the same, without charge, by contacting Mary Winter, City Clerk, 333 South Meridian, Puyallup, Washington, 98371.

Published: August 25, 2017
Effective: August 30, 2017

EXHIBIT A

City of Tacoma, Dept. of Public Utilities, Light Division dba Click! Network owns and operates a hybrid fiber/coaxial telecommunications system located throughout the City of Tacoma, City of University Place, City of Fircrest, and in portions of City of Fife, City of Lakewood and unincorporated Pierce County, all within the service territory of Tacoma Power. Click! Network serves telecommunications needs of the City of Tacoma and Tacoma Power, and provides commercial data access and internet access services on a wholesale basis within the above named territory.

Click! Network desires to establish a transiting facility that will pass through and along certain rights of way within City of Puyallup to connect its telecommunications network from a connection point on 128th St. in Pierce County to a termination point in the Centeris Data Center at 1023 39th Ave. SE in Puyallup.

No telecommunications services will be provided within the City of Puyallup.

EXHIBIT B

STATEMENT OF ACCEPTANCE

City of Tacoma, Department of Public Utilities Light Division, dba. Click! Network, for itself, its successors and assigns, hereby accepts and agrees to be bound by all lawful terms, conditions and provisions of the Franchise attached hereto and incorporated herein by this reference.

City of Tacoma, Department of Public Utilities Light Division, dba. Click! Network

By: _____ Date: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

On this ____ day of _____, 201_, before me the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared, _____ of _____, the company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date hereinabove set forth.

Signature

NOTARY PUBLIC in and for the State of _____, residing at _____

MY COMMISSION EXPIRES: _____



RESOLUTION NO. U-10955

A RESOLUTION relating to Tacoma Power, authorizing an amendment to the Regional Energy Efficiency Initiative Agreement with Northwest Energy Efficiency Alliance.

WHEREAS the Department of Public Utilities, Light Division (d.b.a. "Tacoma Power"), seeks approval to amend its 2015-2019 contract with the Northwest Energy Efficiency Alliance ("NEEA"), of Portland, Oregon, to allow Tacoma Power to participate in a regional End Use Load Research Project coordinated by NEEA, and

WHEREAS, Power utilities use load research to support integrated resource planning, load forecasting, ratemaking, and conservation program planning, and

WHEREAS the most recent end use load data available to the Northwest region is 27 years old and overestimates peak demand, and

WHEREAS participation in the region-wide effort (coordinated on behalf of all of the utilities in the region for the NEEA) is outside the scope of the contract and will cost Tacoma Power \$135,313; Now, therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the amendment to the 2015-2019 Regional Energy Efficiency Initiative Agreement with Northwest Energy Efficiency Alliance, allowing Tacoma Power to participate in a regional End Use Load Research Project, at a cost of \$135,313, is hereby approved, and the proper officers of the City are

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authorized to execute said contract substantially in the form as on file with the
Clerk and as approved by the City Attorney.

Approved as to form and legality:

Chair


Chief Deputy City Attorney

Secretary

Clerk

Adopted

of **9-13-17****REQUEST FOR RESOLUTION**

Date: 8/17/2017

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Approve the AMENDMENT TO REGIONAL ENERGY EFFICIENCY INITIATIVE AGREEMENT to allow participation in regional END USE LOAD RESEARCH PROJECT.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

Tacoma Power requests a resolution of the Public Utility Board allowing the utility to amend its amend it's 2015-2019 contract with the Northwest Energy Efficiency Alliance (NEEA) allowing the utility to participate in a regional End Use Load Research Project coordinated by NEEA. The cost of participation is \$135,313.

3. Summarized reason for resolution:

Power utilities use load research to support integrated resource planning, load forecasting, ratemaking, and conservation program planning. The most recent end use load data available to the NW region is twenty-seven years old and overestimates peak demand. While this research is expensive (over \$12 million over five years) participation in this region-wide effort will only cost Tacoma Power \$135,313. This work, while originally outside the scope of our 2015-2019 NEEA contract, is being coordinated by NEEA on behalf of all the utilities in the region and at the behest of the Northwest Power and Conservation Council. This expense will be funded with the existing budget.


4. Attachments:

a.

5. ☐ Funds available ☐ Proposed action has no budgetary impact

6. Deviations requiring special waivers:

Originated by:

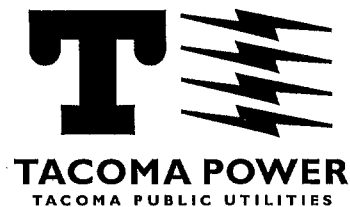

(For Clay Morris)
Section Head

Requested by:


Division Head

Approved:


Director of Utilities



DATE: August 25, 2017
TO: William A. Gaines, Director of Utilities/CEO
FROM: Chris Robinson, Power Superintendent/COO *CR*
SUBJECT: Authorize End Use Load Research with Contract Amendment

Recommendation: Tacoma Power recommends the Public Utility Board authorize an amendment of its 2015-2019 contract with the Northwest Energy Efficiency Alliance (NEEA) to allow the utility to participate in a regional End Use Load Research Project coordinated by NEEA. The cost of participation is \$135,313.

Background: Tacoma Power has been a funding member of NEEA since 2001. NEEA provides utilities a means of saving energy in certain markets where a collaborative, regional approach to conservation is more effective than individual utilities operating disparate programs.

Power utilities use load research to support integrated resource planning, load forecasting, ratemaking and conservation program planning. The most recent end use load data available to the NW region is twenty-seven years old and overestimates peak demand. While this research is expensive (over \$12 million over five years) participation in this region-wide effort will only cost Tacoma Power \$135,313.

This work, while originally outside the scope of our 2015-2019 NEEA contract, is being coordinated by NEEA on behalf of all the utilities in the region and at the behest of the Northwest Power and Conservation Council. This expense will be funded with the existing budget.

Summary: Tacoma Power has a one-time opportunity through a regional collaboration with NEEA to acquire needed end use load data at a low cost. These data will be used by multiple work groups within Tacoma Power to produce more accurate products.

**FIRST AMENDMENT TO
REGIONAL ENERGY EFFICIENCY INITIATIVE AGREEMENT**

BETWEEN

NORTHWEST ENERGY EFFICIENCY ALLIANCE, INC.

AND

**CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION,
(DBA) TACOMA POWER**

This FIRST AMENDMENT TO REGIONAL ENERGY EFFICIENCY INITIATIVE AGREEMENT (the "Amendment") is entered into by and between Northwest Energy Efficiency Alliance, Inc. ("NEEA") and City of Tacoma, Department of Public Utilities, Light Division, (dba) Tacoma Power ("Tacoma Power"). The parties desire to amend the Regional Energy Efficiency Initiative Agreement entered into by the parties effective January 1, 2015 ("the Agreement").

NOW, THEREFORE, in consideration of the mutual promises and other valuable consideration exchanged between them, the parties agree as follows:

1. The Agreement terms and conditions are amended to insert the following Section 15.h immediately below Section 15.g:

15.h End Use Load Research Project. In addition to Tacoma Power's obligations in Exhibit A to fund activities related to the 2015-2019 Electric Business Plan, Tacoma Power agrees to provide separate funds for NEEA's End Use Load Research Project. The attached Exhibit B sets forth additional terms and conditions which govern the funding and operation of the End Use Load Research Project. If, during the performance and execution of the End Use Load Research Project, a conflict arises between the terms of this Agreement and the terms of Exhibit B, the terms of Exhibit B shall prevail.

2. Exhibit B ("Additional Terms & Conditions for End Use Load Research Project") is hereby attached to this Amendment and incorporated into to the Agreement.

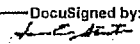
[Signature page Follows]

In all other respects, the parties reaffirm the Agreement in its entirety.

CITY OF TACOMA, DEPARTMENT OF
PUBLIC UTILITIES, LIGHT DIVISION,
(DBA) TACOMA POWER

NORTHWEST ENERGY EFFICIENCY
ALLIANCE, INC.

/s/ _____

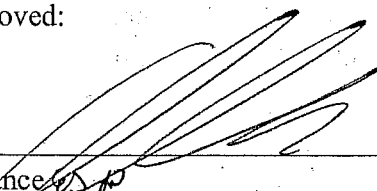
DocuSigned by:

/s/ 74AE28EBD25B4E9...

Date: _____

Date: 8/10/2017

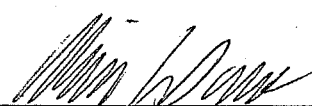
Approved:

Susan E. Stratton

/s/  _____

Executive Director

Finance
Approved as to Form:

/s/  _____

Deputy City Attorney

EXHIBIT B**Additional Terms & Conditions for End Use Load Research Project**

The End Use Load Research Project is a supplemental project to the Regional Energy Efficiency Initiative Agreement ("Agreement") entered into by and between City of Tacoma, Department of Public Utilities, Light Division, (dba) Tacoma Power ("Tacoma Power") and Northwest Energy Efficiency Alliance, Inc., ("NEEA"), effective January 1, 2015. This Exhibit B sets forth additional terms and conditions which govern the funding and operation of the End Use Load Research Project (the "EULR Project"). If, during the performance and execution of this Exhibit B, a conflict arises between the terms of the Agreement and the terms of Exhibit B, the terms of Exhibit B shall prevail.

1. Statement of Work: NEEA shall deliver the Objectives outlined in the EULR Project Statement of Work (Appendix A) attached to this Exhibit B and incorporated into this Agreement by reference. For each year of the EULR Project, NEEA shall develop an annual Work Plan and an associated budget that describes how NEEA will pursue the Statement of Work.
2. Term: This Exhibit B is effective on August 1, 2017 and will remain in effect for sixty (60) months unless terminated earlier pursuant to Section 9 (Exceptions to Funding Commitments) or Section 10 (Determination of Sufficiency) of the Agreement, or Section 3 of this Exhibit B.
3. Termination without Cause: Tacoma Power may terminate this Exhibit B for any reason not allowed in Section 9 (Exceptions to Funding Commitments) or Section 10 (Determination of Sufficiency) of the Agreement upon one year (365 days) written notice to NEEA.
4. Project Budget:
 - a. The total five (5) year EULR Project budget will not exceed \$12,529,000. Tacoma Power's estimated five (5) year share of the EULR Project shall not exceed \$135,313. Tacoma Power's funding commitment shall be its prorated portion of actual EULR Project costs and an administrative fee which is included in the five (5) year share specified above. Tacoma Power agrees to pay its prorated annual funding commitment share of the EULR Project budget.
 - b. Tacoma Power agrees that the End Use Load Research Steering Committee may modify the Objectives outlined in Appendix A (End Use Load Research Project Statement of Work) in a manner consistent with the End Use Load Research Steering Committee Charter. NEEA will notify Tacoma Power of the any modifications made to the Objectives outlined in Appendix A.
5. Ownership of Data:
 - a. NEEA owns all right, title and interest in and to all works protectable by trade secret, trademark, or copyright law created or acquired in performance of the EULR Project including, but not limited to: ideas, concepts, know-how, techniques, processes, data, documents, maps, reports, samples, information, drawings, and discoveries (collectively the "Materials").

- b. In exchange for fulfilling its obligations under this Exhibit B, NEEA grants to Tacoma Power a perpetual, non-exclusive, non-transferable, royalty-free, irrevocable license to use the Materials. Use of the Materials shall create no rights for Tacoma Power in or to the Materials or its use beyond the terms and conditions of this Agreement. The Materials shall remain at all times the sole and exclusive intellectual property of NEEA. Tacoma Power may not sublicense the Materials to any individual, corporation, agency, association, partnership, affiliate, or other entity without the specific prior written consent of NEEA. NEEA shall have the right, from time to time, to request samples of use of the Materials from which it may determine compliance with this Agreement. Any published use of the Materials or its content within not allowed under this Agreement must be approved by NEEA in writing. Without further notice, NEEA reserves the right to prohibit use of the Materials if it determines, in its sole discretion, that Tacoma Power's usage of the Materials, whether willful or negligent, is not in strict accordance with the terms and conditions of this Agreement. Accordingly, NEEA shall be entitled to apply for an injunction, specific performance or other such relief as may be appropriate in the event of improper use of the Materials by Tacoma Power.
- c. In the event of NEEA's bankruptcy or insolvency, Tacoma Power shall immediately have a perpetual, non-exclusive, transferable, sub-licensable, royalty-free, irrevocable license to use the Materials.
- d. Tacoma Power agrees that the Materials constitute Confidential Information. Tacoma Power may disclose the Materials to its public governing or regulatory body so long as such disclosure is for a limited purpose and the public governing or regulatory body is required to protect the Materials on terms consistent with this Agreement. The parties agree not to disclose to a third party any Confidential Information received from the other Party in connection with this Exhibit B. "Confidential Information" means any information marked or otherwise identified by the disclosing Party as proprietary or confidential. The receiving party will not disclose the Confidential Information to third parties for a period of three (3) years from the date of disclosure of the Confidential Information unless expressly permitted in writing by the disclosing party. The receiving party shall take reasonable steps to protect the Confidential Information. These steps must be at least as protective as the steps receiving party takes to protect its own confidential information. Third parties receiving Confidential Information shall be required to protect the Confidential Information on terms consistent with this Exhibit B. The parties will not be liable for the disclosure of any Confidential Information that is: (i) easily accessible, or becomes easily accessible, in the public domain through no fault of the receiving party; (ii) lawfully received from a third party and without any obligation of confidentiality; or (iii) already known to receiving party without any limitation on disclosure by disclosing party before its receipt.
- e. The parties agree that the End Use Load Research Steering Committee, in its sole discretion, may determine which non-funder third parties may have access to the Materials. NEEA will grant access to the Materials to third parties as directed by the End Use Load Research Steering Committee.

- f. Notwithstanding anything to the contrary above, the parties acknowledge that Tacoma Power is subject to the requirements of the Washington State Public Records Act, Chapter 42.56 RCW (Public Records Act) and any Confidential Information including Materials provided to Tacoma Power are public records. Tacoma Power may be required, upon request, disclose Confidential Information including Materials provided to it unless an exemption under the Public Records Act or other laws applies. In the event Tacoma Power receives a request for such disclosure, determines in its legal judgment that no applicable exemption to disclosure applies, and the Confidential Information and/or Materials have been clearly marked or identified in writing as Confidential Information, Tacoma Power shall provide NEEA with ten (10) days written notice of impending release. Should legal action thereafter be initiated by NEEA to enjoin or otherwise prevent such release, all expense of any such litigation shall be borne by NEEA, including any damages, attorneys fees or costs awarded by reason of having opposed disclosure. Tacoma Power shall not be liable for any release where notice was provided and NEEA took no action to oppose the release of information.
6. Fixed-Flat Invoice: NEEA will invoice Tacoma Power 25% of its annual Exhibit B contribution on a quarterly invoice 30 days prior to start of each quarter. Tacoma Power shall pay the invoice by the 1st day of each quarter. Invoices will be provided to the Contact Information listed in Exhibit A and may be added as a separate line item on an existing invoice required by the Agreement.
7. True Up of Funds: If NEEA has not expended the entire funding commitment covered in this Exhibit B at the end of the Term, billings will be reduced or funds will be returned or credited to a future funding agreement.
8. Survival of Obligations: The terms, conditions, and obligations of this Exhibit B, and Sections 9, 10, 11, 12, 13, 14, and 15 of the Agreement as they apply to the EULR Project, shall survive termination of the Agreement unless Exhibit B is terminated pursuant to Section 3 of this Exhibit B.

Appendix A
End Use Load Research Project Statement of Work

NEEA will perform the following Objectives:

1. Conduct continuous residential metering at the circuit level, sampling approximately 75-100 new residences (new to the study) each year for five (5) years for the identified priority end uses of heating, ventilation, air conditioning, and water heating. Approximately 400 homes will be sampled.
2. Conduct continuous commercial metering for identified priority end uses [ten (10) channels with approximately 10 (ten) end uses], sampling approximately 20-25 new buildings (new to the study) each year for five (5) years totaling approximately 100 buildings.
3. Evaluate the coordination and timing of the existing residential and commercial building stock assessments (RBSA and CBSA) with the proposed metering studies for purposes of sampling, recruitment of residences and buildings, scheduling, and possibly site visits.
4. Hire one (1) full-time employee (FTE) for the development and staffing of a data library and to conduct analysis, and one (1) FTE to manage the research process and to staff the Steering Committee and a Research Working Group.



RESOLUTION NO. U-10719

1 A RESOLUTION relating to Tacoma Power, authorizing a contract renewal with
2 Northwest Energy Efficiency Alliance.

3 WHEREAS the Department of Public Utilities, Light Division (d.b.a.
4 "Tacoma Power"), seeks approval to renew a contract with Northwest Energy
5 Efficiency Alliance ("NEEA"), of Portland, Oregon for the period covering
6 calendar years 2015-2019 as part of Tacoma Power's efforts to promote energy
7 conservation and efficiency, and

8 WHEREAS, Tacoma Power's alliance with NEEA provides highly cost
9 effective energy efficiency (approximately 2 cents/kWh), is consistent with the
10 utility's resource strategy, and is eligible for compliance with the conservation
11 requirement in the Washington RPS Energy Independence Act, and

12 WHEREAS, pursuant to the terms of the contract, Tacoma Power will
13 pay NEEA \$1,849,504 in return for a share of the conservation savings derived
14 by NEEA's initiatives, and

15 WHEREAS NEEA estimates Tacoma Power's share of the conservation
16 savings at 1.096 percent; Now, Therefore,

17 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

18 That the contract renewal with Northwest Energy Efficiency Alliance, at a
19 cost of \$1,849,504, over the period of 2015 through 2019, is hereby approved,
20 and the proper officers of the City are authorized to execute said contract
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1 substantially in the form as on file with the Clerk and as approved by the City
2 Attorney.

3 Approved as to form and legality:

4 William C. Fiske
5 Chief Deputy City Attorney

6 Charleen Jacobs
7 Clerk

Chair

Secretary

Adopted 9-24-14

REGIONAL ENERGY EFFICIENCY INITIATIVE AGREEMENT

This Regional Energy Efficiency Initiative Agreement ("Agreement") is between the City of Tacoma, Department of Public Utilities, Light Division, (dba) Tacoma Power ("Tacoma Power"), and Northwest Energy Efficiency Alliance, Inc., a nonprofit corporation ("NEEA"), and is effective January 1, 2015.

RECITALS:

WHEREAS, NEEA is a non-profit corporation that has been funded by Northwest utilities, Bonneville Power Administration and the Energy Trust of Oregon since 1997. NEEA's mission is to mobilize the Northwest to become increasingly energy efficient for a sustainable future. NEEA is a strategic alliance built around a broad recognition that lasting change in energy efficiency can only be created through strong partnerships and that greater energy efficiency can be achieved across Washington, Oregon, Montana and Idaho by working in concert, rather than by working as individual states or organizations.

WHEREAS, NEEA delivers regional market-transformation, energy-efficiency initiatives, and increased availability of energy-efficient emerging technologies. The purpose of these initiatives is to deliver cost-effective electricity savings through long-lasting changes to the marketplace.

WHEREAS, Tacoma Power is choosing to fund NEEA because the two organizations share goals to influence markets structurally to promote and sustain energy efficiency and achieve cost-effective electricity savings. The arrangement brings several benefits to Tacoma Power. NEEA has an established track record of market transformation activities in Oregon, Washington, Montana, and Idaho. Tacoma Power can reduce its market transformation costs by building on NEEA's pooled, four-state resources, suppliers, market research, and program design. Because NEEA works in markets beyond Tacoma Power's service territory, there is a greater likelihood that market change in Tacoma Power's service territory will be rooted in a regional market. Working with NEEA should produce more electricity savings at a lower cost to Tacoma Power than Tacoma Power can solely through individual efforts.

In consideration of the mutual promises exchanged between them, and the benefits to be derived by, NEEA and Tacoma Power agree as follows:

AGREEMENT:

1. Regional Results and Reporting: NEEA shall deliver the five year goals and objectives as outlined in the NEEA 2015-2019 Business Plan, as adopted by the Board of Directors on June 20, 2014 which is incorporated herein into this Agreement by reference. NEEA shall develop an annual Operations Plan and associated budget that describes how NEEA will pursue the five year Business Plan goals and objectives. The Operations Plan will specify interim progress goals/milestones that it will use to assess progress toward Business Plan goals and objectives.

- a. NEEA will present annual operations plans and associated budgets for approval to the NEEA Board of Directors ("Board of Directors") annually.
 - b. NEEA will deliver quarterly status reports to the Board of Directors, with a written annual status report provided to all NEEA funders.
2. Tacoma Power Energy Savings: The projects in NEEA's portfolio will deliver 145 aMW of total regional energy savings. NEEA shall deliver a minimum energy savings that allows each funder to satisfy its governing regulatory body that its investment of ratepayer funds is justified. Tacoma Power's share of these energy savings is estimated at 1.096%, per the funding share estimates in Attachment A. Actual funder and savings shares will vary based on finalization of funder participation agreements and will be adjusted and communicated to Tacoma Power after all funder agreements are complete.
- a. Savings will be reported both for achievements as a result of this 2015-2019 investment, as well as for achievements during 2015-2019 as a result of prior investments in NEEA.
 - b. NEEA will deliver an annual savings report including any true up for the calendar year by July 1st of the following year.
 - c. Savings will be reported where feasible at a zip code level.
 - d. Savings as a result of prior investments will be reported based on prior funding share.
 - e. If the energy savings identified above cannot be reasonably demonstrated or verified as necessary to satisfy the City of Tacoma Public Utility Board that further investment of Tacoma Power ratepayer funds is justified, Tacoma Power may terminate this Agreement upon 60 days prior written notice to NEEA.
3. Operational Effectiveness: The Board of Directors may, at its discretion, direct that NEEA contract with an independent third party to perform an assessment of optional program costs and benefits and the effectiveness of collaboration activities implemented by NEEA (specifically, the Stakeholder Relations outreach and Regional Portfolio Advisory Committee voting activities). This assessment would be delivered to the Board after at least one full year of experience with the optional programs.
4. Fiscal Audit: Each year, NEEA will retain the services of an independent CPA firm to conduct and complete an annual financial audit and internal control review. The selection of the firm and audit will be overseen by members of the Board of Directors and copies made available annually to the Board of Directors and funders by August 1st. Upon Tacoma Power's request, NEEA shall make available to Tacoma Power all accounts, records, and documents related to such audit for Tacoma Power's inspection, evaluation, and/or further audit during normal business hours as reasonably needed by Tacoma Power to assess performance, compliance, and/or quality assurance under this Agreement. Tacoma Power may request from NEEA additional information related to

reported results delivered to Tacoma Power under this Agreement including financial accounts, records, and documents. At Tacoma Power's request, NEEA will deliver, within 30 days of written request from Tacoma Power, either the original or a copy of such documents provided that such information is not protected by regulations, laws, or other obligations that restrict the disclosure of such information, including nondisclosure agreements or confidentiality obligations in other agreements. Information to be disclosed under this section shall not include other funder's confidential information.

5. Term: This Agreement is effective January 1, 2015, and will end on July 1, 2020 unless terminated earlier pursuant to Paragraphs 2, 9 and 10.
6. Total Funding Amount: Tacoma Power shall provide funds to NEEA under the terms of this Agreement in the total amount referenced in Exhibit A.
7. Payments: Tacoma Power shall make fixed payments based on the invoicing and payments schedule as set forth in the attached Exhibit B, "Payment Schedule".
8. Additional Funds: Nothing in this Agreement shall limit NEEA's ability to solicit funds from third party sources.
9. Exceptions to Funding Commitments: The following exceptions shall apply to Tacoma Power's funding commitments:
 - a. Tacoma Power shall not have an obligation to provide funding to NEEA for that portion of its total funding commitment that is not approved by the City of Tacoma Public Utility Board.
 - b. Tacoma Power may elect to reduce or discontinue NEEA funding under this agreement upon the implementation of restructuring legislation or other legislation which eliminates the responsibilities of Tacoma Power to provide benefits under a public purpose charge or similar state or federal mandate.
 - c. Funding by Tacoma Power may be discontinued with sixty days notice to NEEA if there is a change to the Bylaws of NEEA to which Tacoma Power does not agree.
 - d. If NEEA fails to perform its obligations under this Agreement, Tacoma Power may terminate this Agreement upon sixty days prior written notice to NEEA.
10. Determination of Sufficiency: If the NEEA Board of Directors determines at any time that NEEA's progress versus business plan objectives does not warrant continued investment in NEEA, or that NEEA does not have sufficient funds to operate, Tacoma Power may choose to ramp down its investment in NEEA. At such time, Tacoma Power shall pay a one time payment equal to the average annual funding amount, less any credits, to NEEA to allow NEEA to ramp down operations.

11. Insurance: NEEA shall maintain (and shall cause each of its agents, independent contractors, and subcontractors performing services hereunder to maintain) at all times at its sole cost and expense at least the following insurance coverage types and limits to satisfy its obligations under this Agreement.

- a. Workers' Compensation Insurance required by law, at statutory limits, and Employer's Liability Insurance with a limit of not less than One Million Dollars (\$1,000,000).
- b. Business Automobile Liability Insurance covering all automobiles, with a combined single limit of at least \$1,000,000.
- c. Commercial General Liability Insurance including (i) bodily injury, (ii) property damage, (iii) Contractual liability coverage covering its obligations of indemnity and defense and (iv) personal and advertising injury with a combined single limit of not less than One Million Dollars (\$1,000,000).
- d. All insurance required to be issued under this Section 11 shall be issued on a U.S. policy by one or more insurance carriers licensed to do business in the state where services are rendered. Upon execution of this Agreement, NEEA shall provide evidence of insurance indicating all coverage required hereunder.

12. Indemnification: Each party as an "Indemnitor" shall indemnify, defend, and hold harmless the other party, its directors, officers, employees, and agents (collectively, "Indemnitees") from any and all third party claims, demands, suits, losses, costs, and damages of every kind and description, including reasonable attorney fees, brought, made, or asserted against or incurred by any of the Indemnitees resulting from, arising out of, or in any way connected with, any act of Indemnitor, its employees, agents, representatives, or subcontractors of any tier, their employees, agents, or representatives in the performance or nonperformance of Indemnitor's obligations under this Agreement. Notwithstanding anything contained in this Agreement to the contrary:

- a. Neither NEEA nor Tacoma Power will be deemed liable or to be in default for any delay or failure in performance under this Agreement or other interruption deemed to result, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by its employees, or any other similar cause beyond its reasonable control unless such delay or failure in performance is expressly addressed elsewhere in this Agreement; and
- b. Under no circumstances will either party be liable to the other with respect to this Agreement for any incidental, indirect, consequential, special, punitive or exemplary damages including, but not limited to, loss of revenue or profit, or loss of use of property, whether based in whole or in part on Agreement, negligence, strict liability, tort, statutory or any other theory of liability.

13. Disputes: The use of mediation is encouraged and may be used as negotiated between the parties. All claims arising out of this Agreement and all disputes not settled by the parties shall be settled by binding arbitration in accordance with then effective rules of the Arbitration Service of Portland, Inc., and judgment upon the award rendered by the arbitrator(s) may be entered in Multnomah County Circuit Court and/or any other court having jurisdiction. If an arbitration hearing is required, such hearing shall be held in Portland, Oregon. This Agreement shall be governed by the laws of the State of Oregon.
14. Notices: Notices required to be made under this Agreement shall be served personally, by overnight courier, or by United States certified mail, return receipt requested, to the representative and address shown below. Notice will be deemed to be given (a) on the date of personal delivery, (b) at the expiration of the second day after the date of deposit in the United States mail, or (c) on the date of confirmed delivery by the overnight courier.
15. Miscellaneous:
- a. No amendment or modification of this Agreement shall be valid unless set forth in a written document hereafter signed by Tacoma Power and NEEA.
 - b. In the event of any conflict between (i) this Agreement and (ii) the Articles of Incorporation or Bylaws of NEEA, the provisions of this Agreement shall prevail as between Tacoma Power and NEEA.
 - c. The provisions of this Agreement are intended to be for the benefit of Tacoma Power and NEEA, and nothing in this Agreement shall be interpreted or construed as conferring upon any third party any right or claim against Tacoma Power or NEEA or entitling any third party to enforce any of the terms of this Agreement on Tacoma Power, NEEA or otherwise. This Agreement shall not be interpreted or construed to create or evidence a partnership between Tacoma Power and NEEA, or as imposing any partnership obligation or liability on Tacoma Power or NEEA. Any and all services and/or deliverables to be furnished by NEEA hereunder shall be furnished as an independent contractor, and nothing herein contained shall be construed to create a relationship of employer/employee or master/servant between Tacoma Power and NEEA.
 - d. This Agreement and the attached Exhibits, as modified herein, contain the entire agreement between the parties as to the services to be rendered hereunder. All previous and contemporaneous agreements, representations or promises and conditions relating to the subject matter of this Agreement are superseded hereby.
 - e. NEEA agrees to take all steps necessary to comply with all federal, state, laws, and policies regarding non-discrimination and equal employment opportunities. NEEA shall not discriminate in any employment action because of race, religion, creed, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, veteran or military status, the presence of any

sensory, mental or physical disability or the use of a trained dog guide or service animal by a disabled person.

- f. No officer, employee or agent of the Tacoma Power, nor any member of the immediate family of any such officer, employee or agent as defined by City of Tacoma ordinance, shall have any personal financial interest, direct or indirect, in this Agreement, either in fact or in appearance. NEEA shall comply with all federal, state, and City of Tacoma ethics laws and regulations.
- g. This Agreement may be executed in counterparts (including by means of electronic signature, facsimile, or .pdf), each of which shall be deemed an original but all of which together shall constitute one and the same agreement, binding on the parties even though all the parties are not signatories to the same counterpart

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CITY OF TACOMA, DEPARTMENT OF
PUBLIC UTILITIES, LIGHT DIVISION,
(dba) TACOMA POWER

Date: 10/18/14

By: William A. Gaines

Printed Name: William A. Gaines

Title: William A. Gaines

Approved as to form and legality:

Brian Foster
Deputy City Attorney

Approved:

[Signature]
Finance

NORTHWEST ENERGY EFFICIENCY
ALLIANCE, INC.

Date: Oct 23, 2014

By: Susan E. Stratton
Susan E. Stratton
Executive Director

Name and Address for Notices to Tacoma

Power:

Attention: Theodore Coates,
Power Superintendent

Address: Tacoma Power
3628 S 35th St.
Tacoma, WA 98409-3192

Theodore C. Coates
Theodore C. Coates
Power Superintendent/COO

Name and Address for Notices to NEEA:

Susan E. Stratton, Executive Director
Northwest Energy Efficiency Alliance
421 SW Sixth Avenue, Suite 600
Portland, OR 97204

EXHIBIT A

Payment Schedule
Regional Energy Efficiency Initiative Agreement
Between
Tacoma Power
And
Northwest Energy Efficiency Alliance, Inc.

Part A – Five Year Direct Funding Commitment by Funding Share

Direct Funders	2015-2019 Approved Funding Shares	2015-2019 NEEA Total "All In" Funding Commitment
Bonneville Power Administration	36.042%	\$60,820,995
Energy Trust of Oregon	20.146%	\$33,996,442
Puget Sound Energy Inc.	14.139%	\$23,859,610
Idaho Power Co	8.966%	\$15,130,155
Avista Corp	5.742%	\$9,689,644
NorthWestern Energy LLC	4.035%	\$6,809,076
Seattle City Light	3.655%	\$6,167,825
PacifiCorp (Washington)	2.543%	\$4,291,321
PUD No 1 of Clark County	1.314%	\$2,217,379
Tacoma Power	1.096%	\$1,849,504
PUD No 1 of Chelan County	0.968%	\$1,633,503
Snohomish County PUD No 1	0.654%	\$1,103,627
PUD No 1 of Cowlitz County	0.383%	\$646,314
Eugene Water and Electric	0.317%	\$534,939
Total	100.000%	\$ 168,750,333

Part B - Invoice and Payment Schedule

Tacoma Power has elected to fund NEEA's core budget and all optional activities and programs. Optional programs and activities include: Existing Building Renewal and Commercial Real Estate; Top Tier Trade Ally Advanced Training; Industrial Technical Training; and market transformation resources for all initiatives including marketing resources, channel development, training and utility customization. The Board of Directors approved a funding share formula at its June 20, 2014 Special Board Meeting. Tacoma Power's approved funding share is 1.096%. Tacoma Power's total direct funding commitment is as follows:

- Total Tacoma Power five-year funding commitment: \$ 1,849,504
- Tacoma Power annual funding commitment: \$ 369,900.80
- Tacoma Power quarterly funding commitment: \$ 92,475.20

Tacoma Power's funding commitment, in dollars, will not be affected by changes to other funders' commitments, including those who may not elect to fund all optional activities and programs or those who choose not to fund NEEA during the five-year funding cycle. In the event that NEEA's total funding commitment is adjusted, Tacoma Power's approved funding share will be calculated and adjusted accordingly. NEEA will notify Tacoma Power of any change in its approved funding share within 30 days of a change to NEEA's total funding commitment. Tacoma Power's contribution shall be paid quarterly as defined below:

1. Fixed-Flat Invoice. NEEA shall invoice Tacoma Power 25% of its average annual contribution on December 1, 2014, which is due and payable within 30 days of receipt. Quarterly invoices equivalent to 25% of the average annual contribution will continue through the contract period with an invoice date of 30 days prior to the quarter and due date of the 1st day of each quarter.
2. True Up of Funds through 2019 or 2020. If NEEA has not expended the entire amount covered in this contract at the end of the funding cycle, billings will be reduced or funds will be credited to a future funding agreement.

Part C - Contact Information

Invoices should be sent to:

Name: Chris Robinson
Title: Power Manager
Organization: Tacoma Power
Address: 3628 South 35th Street
Tacoma, WA 98409-3192
Phone: 253-502-8282
E-mail: crobinson@cityoftacoma.org



RESOLUTION NO. U-10956

1 A RESOLUTION relating to Tacoma Power; authorizing the execution
2 and conveyance of an easement to Cathy Mae Blakely and Mark
3 and Debbie Kay Christy.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Light
5 Division (d.b.a. "Tacoma Power"), requests the Public Utility Board approve the
6 execution and conveyance of a non-exclusive easement to Cathy Mae Blakely
7 and Mark and Debbie Kay Christy, for access across Tacoma Power's Potlatch-
8 Cushman Transmission Line Corridor, westerly of SR 302, and

9 WHEREAS the easement will allow legal ingress/egress to the public-
10 right-of-way across Tacoma Power's property, and

11 WHEREAS the estimated market value is \$5,000, and will not adversely
12 affect Tacoma Power operations, Now, therefore,

13 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

14 That the conveyance of an easement from Tacoma Power to Cathy Mae
15 Blakely and Mark and Debbie Kay Christy, in the amount of \$5,000, as
16 described in the easement on file with the Clerk of the Board, is approved and
17 the appropriate City officials are authorized to execute said easement
18 substantially in the form on file with the Clerk and as approved by the City
19 Attorney.

20 Approved as to form and legality:

21
22 
23 _____
24 Chief Deputy City Attorney

25 _____
26 Clerk

Chair

Secretary

Adopted _____

of September 13, 2017

REQUEST FOR RESOLUTION

Date: August 25, 2017

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Authorize Tacoma Power to convey an easement to Cathy Mae Blakely and Mark and Debbie Kay Christy across the Potlatch-Cushman Transmission Line Corridor for \$5,000.00.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

Execute and convey a non-exclusive easement to Cathy Mae Blakely and Mark and Debbie Kay Christy for access across Tacoma Power's Potlatch-Cushman Transmission Line Corridor, westerly of SR 302. The easement will allow legal to and from the public right-of-way across Tacoma Power's property, and also needed access across land owned by the Washington State Department of Natural Resources ("DNR"). DNR recently granted an easement for access, and this easement is the last step to establish legal access for the property. The estimated market value of this easement is \$5,000.

3. Summarized reason for resolution:

The Blakely/Christy property is located south of and adjacent to the Tacoma Power's Potlatch-Cushman Transmission Line Corridor. A single family residence (manufactured home) has been located on the property since 1995. In preparation for sale of the property, the prior owner (Iris Morgan) applied for an easement to cross Tacoma Power's property. While this request was in process, the property was sold to Blakely/Christy who wish to pursue completion of the request.

The parties have agreed on the terms and conditions of the easement based on an in-house estimate of fair market value of five thousand dollars (\$5,000.00). The easement is restricted to ingress and egress across the transmission line corridor, connecting to the DNR property, and will allow access to and from the public right-of-way.

4. Attachments:

- A. Director's Memo
- B. Easement
- C. Aerial Photo – Easement Area
- D. Aerial Photo - Location
- E. DNR Easement

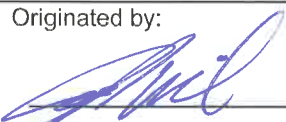
5. ☐ Funds available

X

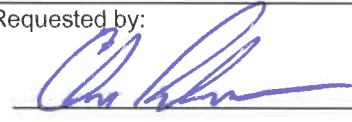
Proposed action has no budgetary impact

6. Deviations requiring special waivers:

Originated by:


Joseph A. Wilson, Transmission and
Distribution Assistant Section Manager

Requested by:


Chris Robinson, Power
Superintendent/COO

Approved:


William A. Gaines, Director of Utilities/CEO



3628 South 35th Street

Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

Date: August 25, 2017

To: William A. Gaines, Director of Utilities/CEO

From: Chris Robinson, Power Superintendent/COO

Subject: Blakely/Christy – Easement for Access across the Potlatch-Cushman Transmission Line Corridor.

Recommendation:

Tacoma Power requests your approval to convey a non-exclusive easement, consisting of approximately 400 square feet, for ingress and egress across the Potlatch-Cushman Transmission Line Corridor, to property owned by Cathy Mae Blakely and Mark and Debbie Kay Christy, for \$5,000.00.

Background:

The Blakely/Christy property is located south of and adjacent to Tacoma Power's Potlatch-Cushman Transmission Line Corridor. A single family residence (manufactured home) has been located on the property since 1995. In preparation for sale of the property, the prior owner (Iris Morgan) applied for an easement to cross Tacoma Power's property. While this request was in process, the property was sold to Blakely/Christy who wish to pursue completion of the request.

As part of the due diligence for this request, it was determined that the Blakely/Christy property did not have legal access to and from the public right-of-way across Tacoma Power's property, and also needed access across land owned by the Washington State Department of Natural Resources ("DNR"). DNR recently granted an easement for access, and this easement is the last step to establish legal access for the property.

The parties have agreed on the terms and conditions of an easement based on an in-house valuation of fair market value of five thousand dollars (\$5,000.00). The easement is restricted to ingress and egress across the transmission line corridor, connecting to the DNR easement, and will allow access to and from the public right-of-way.

The proposed easement will not adversely affect Tacoma Power operations. An easement based on similar terms was granted on a neighboring property in 2015 with no negative effects noted.

Your approval is requested to submit this matter to the Public Utility Board for consideration and approval.

APPROVED:

William A. Gaines
Director of Utilities/CEO

WHEN RECORDED RETURN TO:
Tacoma Public Utilities
Real Property Services
3628 South 35th Street
Tacoma, WA 98409

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
EASEMENT NO. E13453

Reference No.	P2016-235 GWM
Grantor:	City of Tacoma, Department of Public Utilities, Light Division (d.b.a. Tacoma Power)
Grantee:	Cathy Mae Blakely and Mark Christy and Debbie Kay Christy
Legal Description:	Northeast Quarter (NE¼) of Section 21, Township 22 North, Range 01E East, W.M., Pierce County, WA.
Tax Parcel No.:	Portion of 0122211017
Benefitted Tax Parcel No.:	0122211051

THIS EASEMENT AGREEMENT ("Easement Agreement") entered into by the City of Tacoma, Department of Public Utilities, Light Division (d.b.a. Tacoma Power), a municipal corporation, organized and existing under the laws of the State of Washington, hereinafter referred to as "Tacoma Power," record owner of the Easement Area described hereinafter, and Cathy Mae Blakely, an unmarried person, and Mark Christy and Debbie Kay Christy, husband and wife, referred to herein as "Grantee."

RECITALS

WHEREAS, the Grantee has requested that Tacoma Power grant an Easement for a driveway to access the Grantee's abutting real property as depicted in Exhibit A; and,

WHEREAS, Tacoma Power for the consideration provided for below, is willing to grant and convey a non-exclusive easement over a parcel of land in Pierce County, Washington, known as the Potlatch-Cushman Transmission Line Corridor, and legally described below.

NOW THEREFORE, in consideration of the covenants herein stated and Five Thousand and No/100 (\$5,000.00) Dollars, Tacoma Power does hereby grant and convey to the Grantee a non-exclusive easement ("Easement") for the purposes specified herein, said Easement over the following real property ("Easement Area"), and depicted in Exhibit A:

THAT PORTION OF THE CITY OF TACOMA'S CUSHMAN TRANSMISSION LINE RIGHT-OF-WAY WITHIN THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 1 EAST, W.M., IN PIERCE COUNTY, WASHINGTON LYING WITHIN A 20 FOOT WIDE STRIP OF LAND, 10 FEET OF EVEN WIDTH EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 21; THENCE SOUTH $87^{\circ}51'18''$ EAST ALONG THE NORTH LINE OF SAID SECTION 430 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIBED CENTERLINE; THENCE SOUTH $17^{\circ}26'48''$ WEST 51.84 FEET TO THE SOUTHERLY LINE OF THE NORTH 50 FEET OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE TERMINUS OF THIS DESCRIBED CENTERLINE; THE NORTHERLY END OF SAID STRIP BEING THE NORTH LINE OF SAID SECTION 21 AND THE SOUTHERLY END OF SAID STRIP BEING THE SOUTH LINE OF THE NORTH 50 FEET OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER.

1. **Terms**

- a. The terms and provisions of the herein Easement Agreement shall constitute covenants running with the land and shall be binding upon and inure to the

benefit of the parties hereto, their successors, assigns, personal representatives, devisees and heirs.

- b. The Term of this Easement Agreement shall commence on the date of execution and recording and shall run in perpetuity unless terminated pursuant to the terms and conditions set forth herein.
- c. The rights granted to the Grantee are indivisible. Should the Grantee's benefitted real property as depicted in Exhibit A be subdivided or parceled, owners of the additional parcels shall not be entitled to exercise the rights granted herein. Such owners must apply separately for an easement for any new residence, which may or may not be granted by Tacoma Power. Any grant of easements and related rights shall be at the sole discretion of Tacoma Power.

2. **Covenants and Conditions**

- a. **Purpose.** Tacoma Power grants the above-described right to use the Easement Area to the Grantee for the express purpose of crossing the Cushman Transmission Line Right of Way for ingress and egress to access the abutting real property owned by the Grantee. The ingress and egress shall be restricted to the described Easement Area only (see Exhibit A). No other use of the subject Easement Area is granted, nor shall the Grantee enlarge the use thereof.
- b. **Ownership of Utility System.** Tacoma Power owns and controls the above-described Easement Area consistent with and as part of its Utility System. The rights granted herein are subordinate to, and subject to, the paramount right of Tacoma Power to use said Easement Area for uses deemed necessary or convenient to Tacoma Power. Grantee shall not damage or interfere with Tacoma Power's use of its Easement Area, structures, or facilities. Except as

specifically provided for herein, no structures of any type may be placed on the Easement Area, nor shall the Easement Area be barricaded, fenced or blocked by the Grantee in any way.

- c. **Easement Closure Risk.** Grantee assumes all risk and costs associated with easement access due to the Cushman Transmission Line Right of Way closures and blockages by any closure event, including but not limited to environmental regulation, or natural disaster including, fire, flood, snow, slides, tree windthrow, or road washout. Tacoma Power is not obligated to repair or unblock the Cushman Transmission Line Right of Way leading to the Easement Area or any part of the Easement Area described herein if Tacoma Power determines the route is no longer safe or viable.

- d. **Indemnification.** The Grantee, its successors and assigns, to the fullest extent allowed by law, agree to indemnify, defend, and hold harmless Tacoma Power, its officers and employees, from any and all claims for damages or loss to Tacoma Power's operations or property and from any and all claims or litigation arising in connection with this Easement and Easement Agreement. This includes damages, loss, and personal injury (including death) to property or persons, including injuries or death to Grantee, or Grantee's agents, contractors, or employees which may be caused or occasioned by the existence, operation, use, or maintenance of any and all of the property subject to this Easement or associated with the rights granted hereunder, or caused or occasioned by an act, deed, or omission of the Grantee, Grantee's agents, employees, guests, customers, or invitees. In this regard, Grantee hereby waive immunity under Title 51 RCW, Industrial Insurance Laws. Tacoma Power agrees to be responsible for its sole negligence or the sole negligence of its employees and officers occurring within the scope of their employment. This indemnification has been mutually negotiated.

- e. **Utilities.** Grantee shall not install or construct private utilities in the Easement Area without written permission of Tacoma Power.
- f. **Improvements.** Grantee agrees that any and all future driveway design, construction, maintenance, repair, or replacement occurring on or impacting the Easement Area shall be approved in writing by Tacoma Power prior to construction thereof. Such authorized improvements shall comply with all federal, state and local regulations. Grantee shall be solely responsible for and pay all costs associated with the construction, maintenance, repair, replacement, or upkeep of any existing or future driveway or other authorized improvements occurring on or impacting the Easement Area. Any improvements to the Easement Area shall become the property of Tacoma Power unless the applicable consent specifically provides otherwise. Improvements installed by Grantee shall, at Tacoma Power's option, be removed at the termination of expiration of the Easement at Grantee's expense.
- g. **Relocation.** Grantor may, in its sole discretion, direct Grantee to remove and relocate, within the Easement Area, its driveway or other authorized improvement in order to accommodate the Grantor's construction, improvement, change, or operation of its utility system including, but not limited to, the relocation of Grantor's poles and/or towers. Removal and relocation of said driveway or other authorized improvement shall be at the sole cost and expense of Grantee.
- h. **Waste.** Grantee shall not cause nor permit any filling activity to occur in or on the Easement Area, except as approved by Tacoma Power. Grantee shall not deposit refuse, garbage, or other waste matter or use, store, generate, process, transport, handle, release or dispose of any hazardous substance, or other pollutants in or on the Easement Area except in accordance with all applicable laws.

- i. **Warranty.** The City does not warrant its authority to grant the above described use of the Easement Area, and the Grantee agrees to secure any other rights that are needed by them for their respective lawful use of said Easement Area.
- j. **Prior Agreements.** The rights herein granted shall be subject to any prior agreements or contracts made or entered into by Tacoma Power and further shall be subject to any subsequent agreements between city, state, or federal wildlife, fish, ecology, energy, or other regulatory agency having jurisdiction over the City's hydroelectric, water supply, and railway systems.
- k. **Other Agency Regulations.** This Easement, the Grantee, as well as Tacoma Power, are at all times subject to provisions and requirements of federal, state, and local agencies and any future rules and regulations of these agencies or their successors or assigns. The rights granted herein are subject to any lawful rules or regulations now in effect or which hereafter might become effective which are imposed upon the subject Easement Area by any regulating authority including Tacoma Power. Tacoma Power reserves the right at any and all times to prescribe additional rules and regulations for the conduct, operation, and maintenance of any or all the rights and privileges granted under the terms of this Easement Agreement.
- l. **Non-Exclusive Rights.** This Easement is non-exclusive, and shall not prohibit Tacoma Power from granting other rights of like or other nature to others, nor shall it prevent Tacoma Power from using any of the subject Easement Area or affect its right to full supervision and control over all or any part of the said Easement Area, none of which is hereby surrendered in order to install, maintain, and operate the utility system as a necessity or for convenience purposes.
- m. **Exclusive City Control and Access in Cases of Emergency.** Tacoma Power shall have the right to assert exclusive temporary control over access and use of

the Easement Area as necessary, in Tacoma Power's sole discretion, for purposes of conducting emergency repairs and/or maintenance to its electrical utility facilities located on the Easement Area. Grantee hereby expressly acknowledge this right and agree to hold Tacoma Power harmless against any claims, demands or damages related to temporary denial of access and use of the Easement Area hereunder.

- n. **Acknowledgement.** As a condition of this Easement all parties hereto agree that each of the Grantee's respective successors and/or assigns, in order to be entitled to and benefit from this Easement shall acknowledge and accept the terms and conditions set forth in this Easement Agreement. Upon a subsequent sale, transfer or conveyance of those lands being benefited hereby, each such successor or assign shall execute an Acknowledgement to be attached hereto. Said Acknowledgement shall expressly accept said terms and conditions herein and shall be recorded with the Pierce County Auditor upon conveyance.
- o. **Sale or Transfer.** If Tacoma Power should sell, transfer or convey all or any part of the Cushman Transmission Line Right-of-Way which constitutes the Easement Area, Tacoma Power does not warrant the rights granted herein.

3. **Termination**

- a. **Failure of Acknowledgement.** If the Grantee hereunder, or respective successors and/or assigns, should fail to acknowledge and accept the terms and conditions of this Easement Agreement, then the Easement rights expressed herein shall automatically terminate with respect to the non-accepting Grantee. In the event of such termination, all ingress and egress rights of said Grantee to the Easement Area shall cease.

- b. **Loss of Grantee Access to Easement Area.** Grantee has been provided access to the Easement Area via an Easement from the State of Washington, Department of Natural Resources ("Grantee's Easement"). In the event Grantee's Easement is terminated for any reason, and such termination results in a loss of permanent legal access by the Grantee to the Easement Area, this Easement Agreement shall be terminated.
- c. **Failure or Breach.** In the event the Grantee fails or breaches the terms and/or conditions of the Easement Agreement herein, Tacoma Power reserves the right to terminate or cancel the rights granted herein; or to reconcile or cause a remedy in order to cure said failure or breach of this Easement Agreement. Such actions shall be at the discretion of Tacoma Power. If said remedies to cure a failure or breach of this Easement Agreement are not forthcoming, the Grantee(s) collectively shall have the right to create a remedy which is acceptable to Tacoma Power within 180 days from written notice by Tacoma Power else the Easement Agreement shall be terminated after a 180-day notice.
- d. **Abandonment.** Should the Grantee fail to use the Easement Area as provided for herein for a period of 5 years, this Easement and Easement Agreement shall automatically terminate.

TACOMA PUBLIC UTILITIES

GRANTEE

BY:

William A. Gaines,
Director of Utilities/CEO

Cathy Mae Blakely Date

Mark Christy Date

Debbie Kay Christy Date

Approved:

Power Superintendent/COO Date

Reviewed:

T&D Section Manager Date

T&D Assistant Section Manager Date

Reviewed:

Chief Surveyor Date

Approved as to form:

Deputy City Attorney Date

[illegible]

On this _____ day of _____, 2017, before me personally appeared William A. Gaines, to me known to be the Director of Utilities and CEO of the City of Tacoma, Department of Public Utilities, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the City of Tacoma, for the uses and purposes herein mentioned, and on oath stated that he is authorized to execute said instrument.

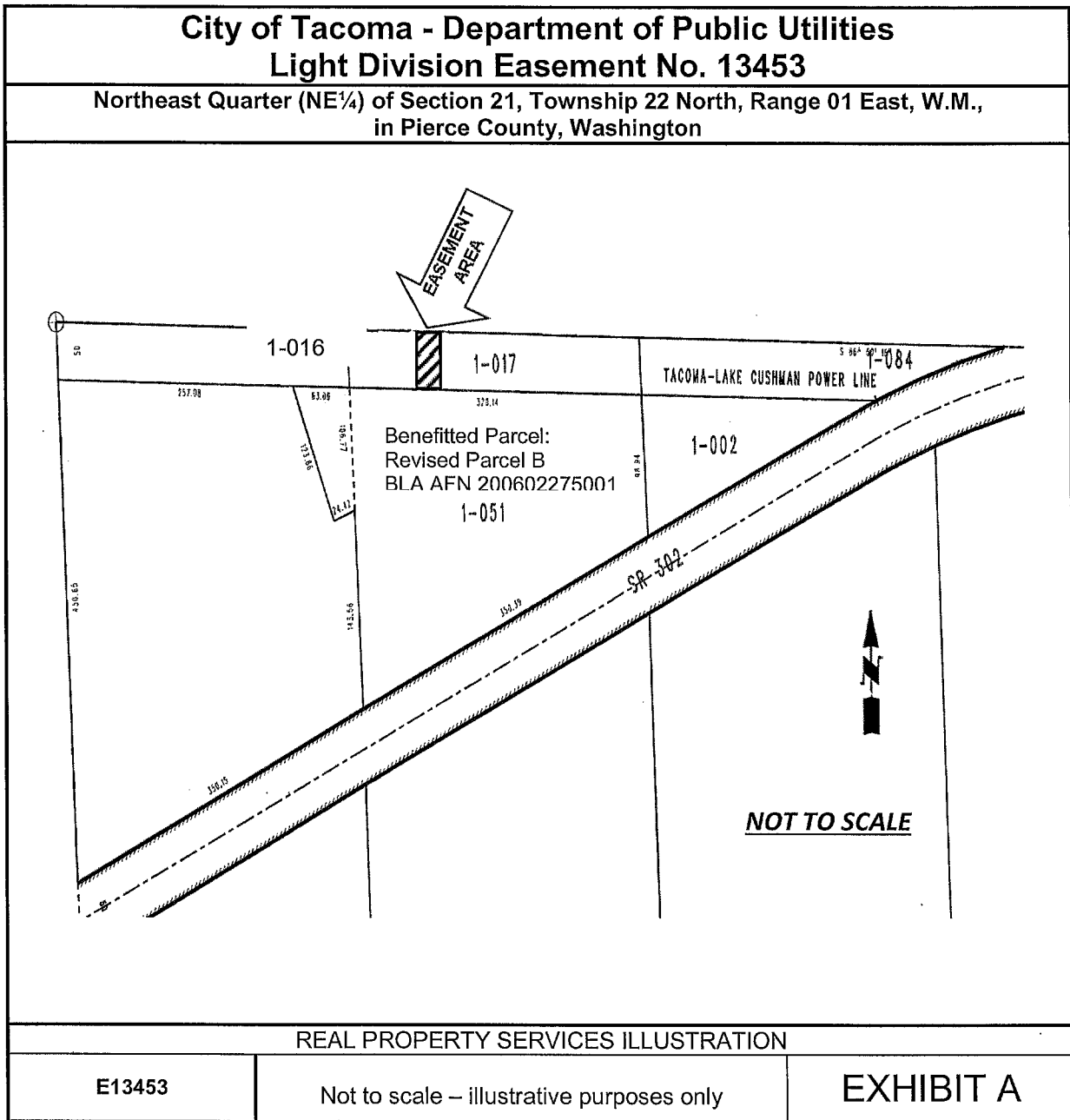
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Dated this _____ day of _____, 2017

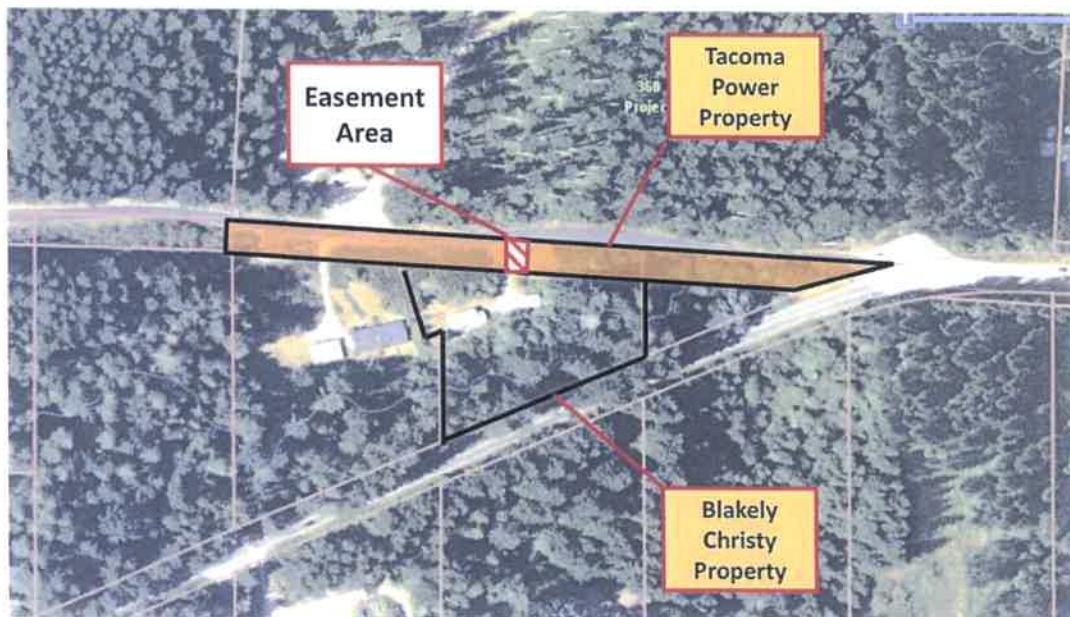
Place Notary Seal in Box

Number of Hauls	Atlantic croaker (%)	Striped bass (%)	Atlantic silverside (%)
1	100	100	100
2	10	80	95
3	5	60	90
4	2	45	85
5	1	35	82
6	0	30	80
7	0	25	78
8	0	22	75
9	0	20	72
10	0	20	70

Notary Public in and for the State
of Washington
Residing in _____
My Commission Expires _____



Blakely/Christy – Ingress and Egress Easement



**Blakely/Christy – Ingress and Egress Easement
General Location**



**Approximately 20 Miles Northwest of Tacoma
Along Potlatch-Cushman Transmission Line Corridor**

WFG NAT'L TITLE
order no. 17-15430

201706010474 PPRICE 16 PGS
06/01/2017 03:04:31 PM \$88.00
AUDITOR, Pierce County, WASHINGTON

When recorded return to:
Department of Natural Resources
South Puget Sound Region
Attn: Rights-of-Way Manager
950 Farman Avenue North
Enumclaw, WA 98022



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES
HILARY S. FRANZ | COMMISSIONER OF PUBLIC LANDS

URBAN/RURAL EASEMENT

Grantor: Washington State Department of Natural Resources
Grantee: Iris L. Morgan
Legal Description: S1/2 S1/2 SW1/4 SE1/4 Section 16 T22N R01E
Assessor's Property Tax Parcel or Account Number: 0122161000
Cross Reference: 200602270330; 200602275001
DNR Easement No. 50-095417

Courtesy Recording ONLY
No liability for validity and/or accuracy
assumed by WFG National Title Co.

This Easement is between IRIS L. MORGAN, as her separate estate, herein called "Grantee" and the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, herein called "State" dated as of May 19, 2017 "Effective Date."

Conveyance. State, for consideration of FOUR THOUSAND EIGHT HUNDRED and NO/100 DOLLARS (\$4,800.00), hereby grants and conveys to Grantee a non-exclusive, indivisible forty (40) foot wide Easement over a parcel of land in Pierce County, legally described as set forth in Exhibit "A" (hereafter "Burdened Parcel"), said easement for an existing road located within a portion of the south forty (40) feet of the S1/2 S1/2 SW1/4 SE1/4 Section 16, Township 22 North, Range 01 East, approximately as shown on Exhibit "B" (hereafter "Easement Area").

Term. The Easement shall expire on **December 31st, 2047** unless terminated sooner as set forth hereafter.

Purpose. The Easement is conveyed to provide ingress and egress to and from a single-family residence on land owned by Grantee legally described as set forth in Exhibit "C" (hereafter "Benefited Parcel"). Authorized use shall include the right to travel, maintain, repair, construct or reconstruct the Easement Area subject to the restrictions set forth hereafter. The purpose of this Easement shall not be changed or modified without the consent of State which shall be at its sole discretion. Any unauthorized use of this Easement Area shall be considered a material breach of this Easement.

Urban/Rural Easement

Page 1 of 16

Easement No. 50-095417

EXCISE TAX EXEMPT DATE 6-1-17

Pierce County

By *[Signature]*

Auth. Sig.

Indivisible. The rights attaching to the Benefited Parcel are indivisible. Should the Benefited Parcel be subsequently subdivided or parcelized, owners of additional residences shall not be entitled to exercise the rights granted herein. Such owners must apply separately for an easement to the new residence, which may or may not be granted by State, which shall be at its sole discretion.

Reservations. State reserves all ownership of the Easement Area and other profits thereon (including timber unless conveyed under this Easement) and the right of use of the Easement Area for any purpose including but not limited to the right to remove timber within the Easement Area; the right at all times to cross and recross the Easement Area at any place on grade or otherwise; and the right to use, maintain, patrol, reconstruct or repair the Easement Area so long as it does not unreasonably interfere with the rights granted herein. State may grant to third parties any and all rights reserved. Once Grantee clears timber conveyed under this Easement, if any, timber subsequently grown in such cleared areas shall belong to State. State further reserves the right to relocate the right of way. If the right of way is relocated at the sole request of State, State shall construct the relocated right of way to the same standards existing at the time of relocation.

Compliance with Laws. Grantee shall, at its own expense, conform to all applicable laws, regulations, permits, or requirements of any public authority affecting the Easement Area and the use thereof. Upon request, Grantee shall supply State with copies of permits or orders.

Compliance with Habitat Conservation Plan. The Easement Area is located within an area that is subject to the State's Habitat Conservation Plan adopted in connection with Incidental Take Permit No. PRT-812521 as supplemented by Permit No. 1168 (collectively "ITP"). As long as the Habitat Conservation Plan remains in effect, Grantee and all contractors, subcontractors, invitees, agents, employees, licensees or permittees acting under Grantee shall comply with the terms and conditions set forth in Exhibit "D" while operating on the Easement Area.

Indemnity. Grantee shall indemnify, defend with counsel acceptable to State, and hold harmless State, its employees, officers, and agents from any and all liability, damages, expenses, causes of action, suits, claims, costs, fees (including attorney's fees), penalties, or judgments, of any nature whatsoever, arising out of the use, occupation, or control of the Easement Area by Grantee, its contractors, subcontractors, invitees, agents, employees, licensees, or permittees, including but not limited to the use, storage, generation, processing, transportation, handling, release, threatened release, or disposal of any hazardous substance or materials. To the extent that RCW 4.24.115 applies, Grantee shall not be required to indemnify State from State's sole or concurrent negligence. This indemnification shall survive the expiration or termination of this Easement. Grantee waives its immunity under Title 51 RCW to the extent required to indemnify State.

Insurance.

Evidence of Insurance: The Grantee must furnish evidence of insurance in the form of a Certificate of Insurance satisfactory to State, executed by a duly authorized representative of each insurer showing compliance with the insurance requirements set forth below. The Certificate of Insurance must reference State's contract number.

Cancellation: State must be listed on the policy, and the insurer must provide 45 days written notice to State before the cancellation, non-renewal, or material change of any insurance referred to therein.

Specific Coverage Requirements: During the entire term of the Easement, the Grantee must purchase and maintain the insurance coverages and limits specified below:

1. **Personal Automobile Insurance.** The Grantee must purchase and maintain Personal Auto Policy (PAP) which covers damages for bodily injury and property damage for which Grantee and any residents of Grantee's becomes legally liable. Such insurance must cover the use of any auto owned by or furnished to (1) Grantee and (2) any residents of Grantee's property. Such coverage must be on an occurrence basis. The PAP must provide liability coverage with limits not less than those specified below.

Per Description	Person	Occurrence
Bodily Injury	\$100,000	\$300,000
Property Damage	Not applicable	\$50,000

2. **Homeowner's or Tenant Homeowner's Insurance, including Liability coverage.** Grantee must purchase and maintain homeowner's insurance which covers damages for bodily injury and property damage for which Grantee and any residents of Grantee's become legally liable. Such coverage must extend to (1) Grantee and (2) any residents of Grantee's property. Coverage must be provided on an occurrence basis. Liability coverages must include:

- Fire Legal Liability
- Liability assumed under a written contract, such as a lease or Easement

The homeowner's or tenant homeowner's insurance must provide liability coverage with limits not less than \$300,000 per occurrence.

Waste. Grantee shall not cause or permit any filling activity to occur in or on the Easement Area, except as approved by State. Grantee shall not deposit refuse, garbage, or other waste matter or use, store, generate, process, transport, handle, release, or dispose of any hazardous substance, or other pollutants in or on the Easement Area except in accordance with all applicable laws.

The term hazardous substance means any substance or material as those terms are now or are hereafter defined or regulated under any federal, state, or local law including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA 42 USC 9601 *et seq.*) as administered by the US Environmental Protection Agency, or the Washington Model Toxic Control Act (MTCA RCW 70.105D) as administered by the State Dept. of Ecology.

Grantee shall immediately assume responsibility for a hazardous substance release (spill) caused by Grantee or its Permittees on or adjoining the Easement Area.

As responsible party, Grantee shall:

- Immediately notify all necessary emergency response agencies, as required under federal, state and local laws, regulations, or policies.
- Following emergency response agency notifications, notify State (Dept. of Natural Resources) of all spill releases and Grantee actions completed for spill reporting and actions planned or completed toward spill cleanup. State notification requirements are “same business day” notification for normal state work days and “next available business day” notification for weekends and holidays.
- At Grantees sole expense, conduct all actions necessary to mitigate the spill release. Mitigation response actions may include, but are not necessarily limited to, initial release containment, follow-up site cleanup and monitoring actions, and continued contact and coordination with regulators and State, as defined under the aforementioned laws, regulations, policies and this agreement.
- Other than performing initial emergency response cleanup/containment actions; obtain approvals in advance of all site cleanup actions (e.g. site characterization investigations, feasibility studies, site cleanup and confirmation sampling, and groundwater monitoring) conducted on State lands, in coordination with regulatory agencies and State.
- Obtain and understand all necessary hazardous substance spill release notification and response mitigation requirements, in advance of conducting Grantee operations on State land.

Survey Markers. Grantee shall not destroy any land survey corner monuments and reference points (including but not limited to corner markers, witness objects, or line markers) without prior written approval from State, which shall not be unreasonably withheld. Monuments or reference points that must necessarily be disturbed or destroyed during road construction or maintenance activities must be adequately referenced and replaced, at Grantee's cost, under the direction of a State of Washington Professional Land Surveyor, in accordance with all applicable laws of the State of Washington in force at the time of construction, including but not limited to RCW 58.24, and all Department of Natural Resources regulations pertaining to preservation of such monuments and reference points.

Operational Requirements. Site-specific operational requirements are listed in Exhibit "E". Non-compliance with these requirements shall constitute a breach of the Easement and may result in the State suspending operations until the breach is remedied.

Construction/Reconstruction. Ninety (90) days prior to any construction or reconstruction by Grantee on the Easement Area, Grantee shall submit a written plan of construction to State outlining the construction or activity for State's approval, which shall not be unreasonably withheld. In the event of an emergency requiring immediate action to protect person or property, Grantee may take reasonable corrective action without prior notice to State. Grantee shall notify State within forty-eight (48) hours of any corrective action taken and all construction or reconstruction shall comply with applicable state or local laws.

Maintenance. Maintenance is defined as work normally necessary to preserve and keep the road in its present condition or as hereafter improved. At a minimum, the road will be maintained to meet forest practice standards set forth in Chapter 222-24 WAC as now written or hereafter amended.

When a road is being used solely by Grantee, Grantee shall be solely responsible for maintaining that portion of the road so used to the standards existing at the time solo use is commenced until joint use begins. During periods when Grantee, State and/or other parties with an easement or license from State use the road, or any portion thereof, the cost of maintenance and resurfacing shall be allocated among such users on the basis of their respective use including that of their agents.

During periods of joint maintenance, the users shall meet at times to be set at the discretion of State and establish necessary maintenance provisions. Such provisions shall include, but not be limited to the following:

- (a) The appointment of a maintainer, which may be one of the parties or any third party, to perform all recurrent maintenance;
- (b) The extent of resurfacing necessary to keep the road to the standard originally constructed or thereafter improved, and to reduce environmental impacts; and
- (c) A method of payment by which each party using the road or a portion thereof, shall pay its pro rata share of the cost of maintenance and resurfacing.

Repairs. Each party shall repair, or cause to be repaired at its sole cost, that damage to the road and improvements occasioned by it which is in excess of that which it would cause through normal and prudent usage. Should damage be caused by an unauthorized user, the cost of repair shall be treated as ordinary maintenance and handled as set forth above.

Easement Closure Risk. Grantee assumes all risk and costs associated with easement access due to road closures and blockages caused by any road closure event, including but not limited to environmental regulation, or natural disasters including, fire, flood, snow, slides, tree wind throw, or road wash out. State is not obligated to repair or unblock an existing road leading to the Easement Area or any part of the Easement Area described herein if State determines the road is no longer safe or viable for trust management purposes.

Improvements. Grantee shall construct no improvements without the prior written consent of State, which shall be at State's sole discretion. Unless the parties agree in writing to share the cost of improvements, improvements shall be at the sole expense of the improver. Any improvements to the Easement Area shall become property of State unless the applicable consent specifically provides otherwise. Improvements installed by Grantee shall, at State's option, be removed at the termination or expiration of the Easement at Grantee's expense.

Weed Control/Pesticides. The Grantee shall control at its own cost, all noxious weeds on any portion of the Easement Area herein granted. Such weed control shall comply with county noxious weed control board rules and regulations established under the Uniform Noxious Weed Control Statute (Chapter 17.10 RCW). The Grantee shall be responsible for, or shall immediately reimburse State any weed control cost incurred as a result of the Grantee's failure to control weeds on the Easement Area.

All ground methods of chemical weed control shall be approved in writing by State prior to beginning such activities.

The aerial application of pesticides is not permitted.

Notice. Any notices or submittals required or permitted under this Easement may be delivered personally, sent by facsimile machine or mailed first class, return receipt requested, to the following addresses or to such other place as the parties hereafter direct. Notice will be deemed given upon delivery, confirmation of facsimile, or three (3) days after being mailed, whichever is applicable.

To State:

DEPARTMENT OF
NATURAL RESOURCES
South Puget Sound Region
950 Farman Avenue North
Enumclaw, WA 98022
360-825-1631

To Grantee:

IRIS L. MORGAN
10808 144TH ST NW
Gig Harbor, WA 98329
253-857-2280

Recording. Grantee shall record this Easement in the county in which the Easement Property is located, at Grantee's sole expense. Grantee shall provide State with a copy of the recorded Easement. Grantee shall have thirty (30) days from the date of delivery of the final executed agreement to comply with the requirements of this section. If Grantee fails to record this Easement, State may record it and Grantee shall pay the costs of recording, including interest, upon State's demand.

Advance by State. If State advances or pays any cost or expense for or on behalf of Grantee, Grantee shall reimburse State the amount paid and shall pay interest on such amount at the rate of one percent (1%) per month until paid.

Lien. Any amount due from but not paid by Grantee as required under this Easement within thirty (30) days of demand shall be a lien upon the Benefited Parcel. Grantee hereby authorizes State to file a notice of lien with the county auditor and to foreclose such lien as a mortgage.

Termination. State shall have the right to terminate this Easement if Grantee fails to cure a material breach of this Easement within sixty (60) days of notice of default (Cure Period). If a breach is not reasonably capable of being cured within the Cure Period for reasons other than lack of or failure to expend funds, Grantee shall commence to cure the default within the Cure Period and diligently pursue such action necessary to complete the cure. In addition to the right of termination, State shall have any other remedy available in law or equity. Any Grantee obligations not fully performed upon termination shall continue until fully performed. Designation of certain breaches as material throughout this Easement shall not preclude other breaches from being declared material.

Abandonment. If Grantee ceases to use the Easement Area for the purposes set forth herein for a period of two (2) successive years, this Easement shall be deemed abandoned and terminate without further action by State.

Construction. The terms of this Easement shall be given their ordinary meaning unless defined herein and shall not be presumed construed against the drafter.

Effective Date. The Effective Date of this Easement shall be the date on which the last party executes this Easement. The Effective Date will be inserted on the first page of the Easement when such date is determined.

Exhibits. All exhibits referenced in this Easement are incorporated as part of the Easement.

Headings. The headings in this Easement are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Easement nor the meaning of any of its provisions.

Modification. Any modification of the Easement must be in writing and signed by the parties. State shall not be bound by any oral representations or statements.

Non-waiver. The waiver by State of any breach or the failure of State to require strict compliance with any term herein shall not be deemed a waiver of any subsequent breach.

Severability. If any provision of this Easement shall be held invalid, it shall not affect the validity of any other provision herein.

Successors and Assigns. This Easement shall be binding upon and shall inure to the benefit of the parties, their successors and assigns except to the extent this section conflicts with the section labeled "Indivisible" in which case the Indivisibility section will control.

IN WITNESS WHEREOF, the parties hereto have executed this instrument, in duplicate, as of the day and year first above written.

BENEFITTING PARCEL

Dated: April 1, 2017.

James Morgan

JAMES MORGAN
Power of Attorney
7400 Stinson Ave Apt 324
Gig Harbor, WA 98335

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: 5/19, 2017.

Angus W Brodie

ANGUS BRODIE
Deputy Supervisor for Uplands
P.O. Box 7000
1111 Washington Street SE
Olympia WA 98504-7000



Approved as to form 1/21/2003
By Mike Rollinger,
Assistant Attorney General
for the State of Washington.

INDIVIDUAL ACKNOWLEDGEMENT

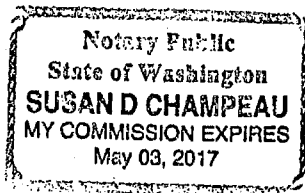
STATE OF WASHINGTON

County of Pierce

I certify that I know or have satisfactory evidence that JAMES MORGAN is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 4.1.17

(Seal or stamp)



(Signature)

(Print Name)

Notary Public in and for the State of Washington, residing at Orr HarborMy appointment expires May 3 2017

STATE ACKNOWLEDGEMENT

State of Washington

County of Thurston

I certify that I know or have satisfactory evidence that ANGUS BRODIE is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Deputy Supervisor for Uplands on behalf of the Department of Natural Resources of the State of Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 5/19/17

Tami K. Kellogg
(Signature)

Tami K. Kellogg
(Print Name)



Notary Public in and for the State of Washington, residing
at Hoquiam.

My appointment expires 11/28/2020.

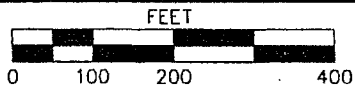
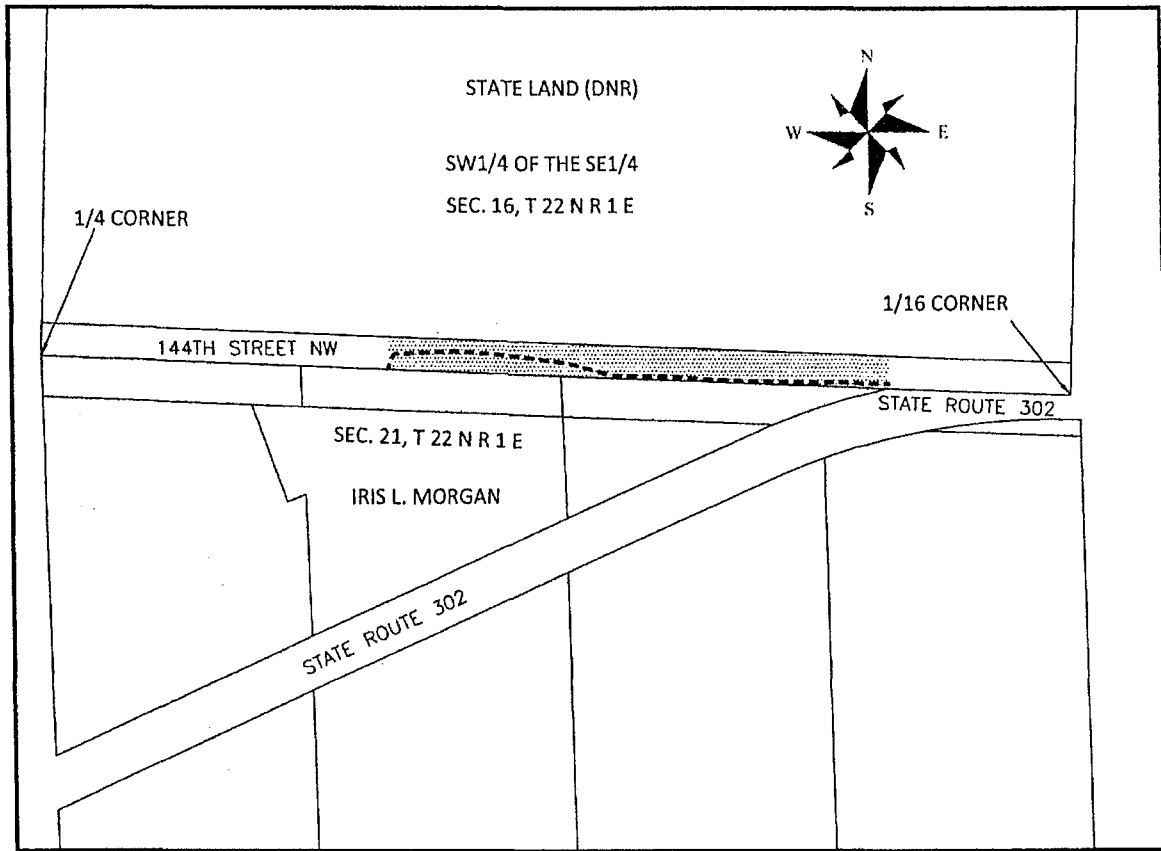
**EXHIBIT A
BURDENED PARCEL**

- S1/2 S1/2 SW1/2 SE1/4 Section 16, Township 22 North, Range 01 East, W.M., Pierce County, Washington State.


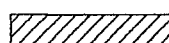

Subject to Commisioners Order granting the City of Tacoma an easement for a right of way for a transmission line, filed in the Office of the Commissioner of Public Lands under File No. 50-011530.

- Tax Parcel Number: 0122161000

EXHIBIT B EASEMENT AREA



LEGEND

-  40' WIDE EASEMENT AREA
LENGTH: 640 FEET
AREA: 0.6 ACRES
-  TACOMA CITY LIGHT
-  EXISTING ROAD

**EXHIBIT C
BENEFITED PARCEL**

THAT PORTION OF THE EAST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 01 EAST, W.M., IN PIERCE COUNTY, WASHINGTON, LYING NORTHERLY OF THE NORTH LINE OF GIG HARBOR-LONGBRANCH HWY (S.R. 302);

EXCEPT THE NORTH 50 FEET THEREOF FOR 144TH ST NW;

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE NORTH QUARTER CORNER OF SECTION 21, TOWNSHIP 22 NORTH, RANGE 01 EAST, W.M.;

THENCE EASTERLY ALONG THE NORTH LINE OF SAID SECTION 320.18 FEET;

THENCE SOUTH 0°41'03" WEST 50.02 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 0°41'03" WEST 106.77 FEET;

THENCE SOUTH 70°06'15" WEST 24.42 FEET;

THENCE NORTH 18°16'35" WEST 123.66 FEET;

THENCE SOUTH 87°52'04" EAST 63.06 FEET TO THE POINT OF BEGINNING;

(ALSO KNOWN AS PARCEL B OF BOUNDARY LINE ADJUSTMENT RECORDED FEBRUARY 27, 2006, UNDER RECORDING NO. 200602275001);

SITUATED IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.

EXHIBIT D
HCP REQUIREMENTS

- 1) Grantee shall notify State of the following:
 - a) That Grantee has discovered locations of any species listed by the U.S. Department of Fish and Wildlife as threatened or endangered species (listed species) under the Endangered Species Act as such list may be updated from time to time; and
 - b) That Grantee has located any live, dead, injured, or sick specimens of any listed species.
- 2) Notification required in subsection 1) must in all circumstances occur as soon as practicable but in any event within 24 hours.
- 3) Grantee may be required to take certain actions to help State safeguard the well-being of any live, injured, or sick specimen of any listed species until the proper disposition of such specimen can be determined by State.
- 4) Any application for a Forest Practices Permit submitted by Grantee for activities on the State Easement Area must identify that the State Easement Area is covered by the HCP.

EXHIBIT E
OPERATIONAL REQUIREMENTS

- a) Roads may not be used when continued use will result in excessive damage due to weather or other conditions.
- b) Snow removal is not allowed without permission from State.
- c) Grantee shall not park any vehicle within the Easement Area
- d) Grantee shall not block any portion of the Easement Area.
- e) Grantee shall remove all litter and garbage from the Easement Area.



RESOLUTION NO. U-10957

1 A RESOLUTION relating to Tacoma Power; declaring utility-owned real
2 property surplus and authorizing the sale to the Key Peninsula
Metropolitan Park District.

3 WHEREAS the City of Tacoma, Department of Public Utilities, Light
4 Division (d.b.a. "Tacoma Power"), requests the Board declare surplus and
5 approve the negotiated sale of approximately 1.35 acres, located on the north
6 and south sides of SR 302 in unincorporated Pierce County, Washington
7 ("Property"), to the Key Peninsula Metropolitan Park District ("Key Pen"), and

8 WHEREAS the Property is located in the vicinity of the Tacoma Power-
9 owned Potlatch-Cushman transmission line corridor, and consists of two
10 twenty-foot-wide strips of land on either side of SR 302, and

11 WHEREAS Tacoma Power does not need to own the property as
12 ownership entails additional management time and expense, especially due to
13 requests to cross or otherwise use the corridor. Operational needs can be met
14 through permanent easement rights alone, as proposed by this transaction, and

15 WHEREAS, due to a timing issue with Key Pen's development of its
16 Gateway Park property, they requested that we first grant them a permit to
17 install the water line since the process to execute the sale of the property would
18 take longer, and

19 WHEREAS the following steps are needed to complete this transaction:

- 20 1) Tacoma Power will issue a Temporary Construction Permit to allow use
21 of a portion of the Potlatch-Cushman Transmission line corridor for
22 installation of a water line to serve Key Pen's Gateway Park
23 development;
24
25
26



1 2) The sale of the property is subject to completion of a Boundary Line
2 Adjustment at Key Pen's expense, to reconfigure the Tacoma Power and
3 Key Pen property included in the sale. Tacoma Power shall retain an
4 easement in the property for continued transmission line operations with
5 no adverse long-term impacts;
6

7 3) The property sale is expected to close and the Permit will expire by
8 October 31, 2017, with time to proceed with Board and Council's
9 approval of sale and declaration of surplus property, and
10

11 WHEREAS the Department of Public Works Real Property Services
12 section has negotiated the price of \$16,250, with consideration of the easement
13 to Tacoma Power,

14 WHEREAS, due to the retained easement rights, Tacoma Power has
15 determined that the Property sought by Key Pen is not essential for continued
16 effective utility service and has deemed the Property surplus to Tacoma
17 Power's needs pursuant to RCW 35.94.040 and TMC 1.06.272-.278; Now,
18 Therefore,
19

20 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

21 Sec. 1. That it is in the best interests of the City of Tacoma to approve
22 the negotiated sale in fee of approximately 1.35 acres of property located on the
23 north and south sides of SR 302 in unincorporated Pierce County, Washington,
24 and as more fully described in the documents on file with the Clerk of the
25 Board, to the Key Peninsula Metropolitan Park District.
26



1 Sec. 2. That the Property is not essential for continued effective utility
2 service by Tacoma Power and is properly declared surplus property and excess
3 to Tacoma Power's needs.
4

5 Sec. 3. That in order to complete the transaction, Tacoma Power will
6 grant a Temporary Construction Permit to Key Peninsula Park District, complete
7 a Boundary Line Adjustment at Key Peninsula's Metropolitan Park District's
8 expense, and Tacoma Power will seek Board and Council approval for a
9 declaration of surplus property and approval of sale by October 31, 2017.
10

11 Sec. 4. That the City Council is requested to hold a public hearing on this
12 matter pursuant to RCW 35.04.040, and thereafter approve this recommended
13 sale and authorize the proper officers of the City of Tacoma to execute all
14 necessary documents, substantially in the same form as on file with the Clerk
15 and approved by the City Attorney.

16 Approved as to form and legality:

17 
18 _____
19 Chief Deputy City Attorney

Chair

Secretary

20 _____
21 Clerk

Adopted

of September 13, 2017

REQUEST FOR RESOLUTION

Date: August 25, 2017

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Declare surplus and authorize the sale of approximately 1.35 acres of Tacoma Power property to the Key Peninsula Metropolitan Park District for \$16,250.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

Declare surplus and authorize the sale of approximately 1.35 acres of Tacoma Power property - identified as portions of Pierce County Assessor Tax Parcel Nos. 0122164001, 0122211071, and 0122153058 - located on the north and south sides of SR 302 in unincorporated Pierce County, to the Key Peninsula Metropolitan Park District (Key Pen Parks). An easement to Tacoma Power will be retained in the property for continued use of the transmission line corridor. Consideration for the sale is \$16,250.

3. Summarized reason for resolution:

Tacoma Power owns the Potlatch-Cushman transmission line corridor, which in this vicinity consists of two 20-foot-wide strips of land on either side of SR 302. However, Tacoma Power does not need to own the property as ownership entails additional management time and expense, especially due to requests to cross or otherwise use the corridor. Operational needs can be met through permanent easement rights alone, as proposed by this transaction. Additionally, the sale will generate one-time revenue for Tacoma Power. Due to a timing issue with Key Pen Parks' development of its Gateway Park property, they requested that we first grant them a permit to install the water line since the process to execute the sale of the property would take longer. Tacoma Power agreed to this request.

Following are the steps needed to complete the transaction:

- 1) Tacoma Power will issue a Temporary Construction Permit (TCP) to allow use of a portion of the Potlatch-Cushman Transmission line corridor for installation of a water line to serve Key Pen Parks' Gateway Park now under development.
- 2) Subsequent sale of the property is subject to completion of a Boundary Line Adjustment (BLA) - at Key Pen Parks' expense - needed to reconfigure the Tacoma Power property included in the sale. Tacoma Power to retain an easement in the property for continued transmission line operations with no adverse impact to long-term operational needs.
- 3) Property sale expected to close and TCP to expire by October 31, 2017. During the interim, will proceed to Board and Council for declaration of surplus and approval of the sale.

Tacoma Power has negotiated the sale price to Key Pen Parks for \$16,250; this figure takes into consideration the reservation of an easement to Tacoma Power for continued use of the transmission line corridor in the sale property. The sale is subject to both Public Utility Board and City Council approval. The terms and conditions of the purchase and sale agreement have been approved by Tacoma Power and Real Property Services and reviewed by the City's Legal Department.

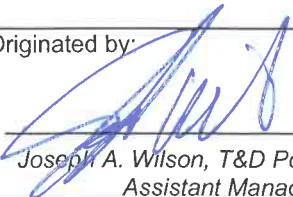
4. Attachments:

- a. Director's Memo
- b. Aerial Photo
- c. Purchase and Sale Agreement
- d. Declaration of Surplus Property
- e. CAM Request to set Public Hearing

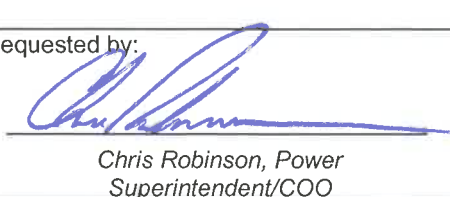
5. ☐ Funds available ☒ Proposed action has no budgetary impact

6. Deviations requiring special waivers:

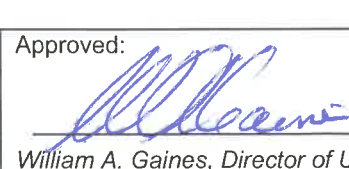
Originated by:


Joseph A. Wilson, T&D Power Section
Assistant Manager

Requested by:


Chris Robinson, Power
Superintendent/COO

Approved:


William A. Gaines, Director of Utilities / CEO



TO: Mayor and City Council
FROM: William A. Gaines, Director of Utilities/CEO
COPY: Elizabeth Pauli, City Manager, and City Clerk
SUBJECT: Resolution – Set Public Hearing – October 10, 2017
DATE: August 25, 2017 /Council 9-26-17

SUMMARY:

To set Tuesday, October 10, 2017, as the date for a Public Hearing regarding the sale of approximately 1.35 acres of Tacoma Power property for \$16,250.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This request supports the above policy priorities by allowing economic development and operation of the property, and offering the opportunity for public input on this real estate transaction.

BACKGROUND:

Tacoma Power owns the Potlatch-Cushman transmission line corridor, which in this vicinity consists of two 20-foot-wide strips of land on either side of SR 302. However, Tacoma Power does not need to own the property as ownership entails additional management time and expense, especially due to requests to cross or otherwise use the corridor. Operational needs can be met through permanent easement rights alone, as proposed by this transaction. Additionally, the sale will generate one-time revenue for Tacoma Power. Due to a timing issue with Key Pen Parks' development of its Gateway Park property, they requested that we first grant them a permit to install the water line since the process to execute the sale of the property would take longer. Tacoma Power agreed to this request.

Tacoma Power requests that you authorize the sale of its property - identified as portions of Pierce County Assessor Tax Parcel Nos. 0122164001, 0122211071, and 0122153058, covering approximately 1.35 acres - located on the north and south sides of SR 302 in unincorporated Pierce County, to the Key Peninsula Metropolitan Park District for \$16,250. An easement to Tacoma Power will be retained in the property for continued use of the transmission line corridor.

Following are the steps needed to complete the transaction:

- 1) Tacoma Power will issue a Temporary Construction Permit (TCP) to allow use of a portion of the Potlatch-Cushman Transmission line corridor for installation of a water line to serve Key Pen Parks' Gateway Park now under development.
- 2) Subsequent sale of the property is subject to completion of a Boundary Line Adjustment (BLA) - at Key Pen Parks' expense - needed to reconfigure the Tacoma Power property included in the sale. Tacoma Power to retain an easement in the property for continued transmission line operations with no adverse impact to long-term operational needs.
- 3) Property sale expected to close and TCP to expire by October 31, 2017. During the interim, will proceed to Board and Council for declaration of surplus and approval of the sale.



Tacoma Power has negotiated the sale price to Key Pen Parks for \$16,250; this figure takes into consideration the reservation of an easement to Tacoma Power for continued use of the transmission line corridor in the sale property. The sale is subject to both Public Utility Board and City Council approval.

The terms and conditions of the purchase and sale agreement have been approved by Tacoma Power and Real Property Services and reviewed by the City's Legal Department.

ALTERNATIVES:

The alternatives to disposing of the property through the negotiated disposition process, as allowed under TMC 1.06.280f, are to either retain ownership or to dispose via a bid/sale process. Tacoma Power does not have a need for continued fee ownership of the property, and if it were to retain ownership there would be continued management and administrative costs. The negotiated disposition process was determined to be the most efficient disposition method, as the most likely purchaser is the abutter and the property would likely not appeal to other market participants, thus the bid/sale process would not likely be successful.

RECOMMENDATION:

Tacoma Power and Real Property Services recommend that the City Council set a Public Hearing in accordance with RCW 35.94.040, to be held October 10, 2017 to receive public comment regarding the proposed declaration of surplus and sale of approximately 1.35 acres of Tacoma Power real property located in unincorporated Pierce County, WA. Once the Public Hearing has been conducted, a separate request will be presented to the City Council for the declaration of surplus and approval of the sale and conveyance of the real property.

FISCAL IMPACT:**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
GL 6411030	CC 561100	N/A	\$16,250
TOTAL			\$16,250

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$-0-

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.



3628 South 35th Street

Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

Date: August 25, 2017

To: William A. Gaines, Director of Utilities/CEO

From: Chris Robinson, Power Superintendent /COO

Subject: Sale of Real Property – Portion of Potlatch-Cushman Transmission Line Corridor

Recommendation: Tacoma Power requests that you declare surplus and authorize the sale of its property - identified as portions of Pierce County Assessor Tax Parcel Nos. 0122164001, 0122211071, and 0122153058, covering approximately 1.35 acres - located on the north and south sides of SR 302 in unincorporated Pierce County, to the Key Peninsula Metropolitan Park District for \$16,250. An easement to Tacoma Power will be retained in the property for continued use of the transmission line corridor.

Background: Tacoma Power owns the Potlatch-Cushman transmission line corridor, which in this vicinity consists of two 20-foot-wide strips of land on either side of SR 302. However, Tacoma Power does not need to own the property as ownership entails additional management time and expense, especially due to requests to cross or otherwise use the corridor. Operational needs can be met through permanent easement rights alone, as proposed by this transaction. Additionally, the sale will generate one-time revenue for Tacoma Power. Due to a timing issue with Key Pen Parks' development of its Gateway Park property, they requested that we first grant them a permit to install the water line since the process to execute the sale of the property would take longer. Tacoma Power agreed to this request.

Following are the steps needed to complete the transaction:

- 1) Tacoma Power will issue a Temporary Construction Permit (TCP) to allow use of a portion of the Potlatch-Cushman Transmission line corridor for installation of a water line to serve Key Pen Parks' Gateway Park now under development.
- 2) Subsequent sale of the property is subject to completion of a Boundary Line Adjustment (BLA) - at Key Pen Parks' expense - needed to reconfigure the Tacoma Power property included in the sale. Tacoma Power to retain an easement in the property for continued transmission line operations with no adverse impact to long-term operational needs.
- 3) Property sale expected to close and TCP to expire by October 31, 2017. During the interim, will proceed to Board and Council for declaration of surplus and approval of the sale.

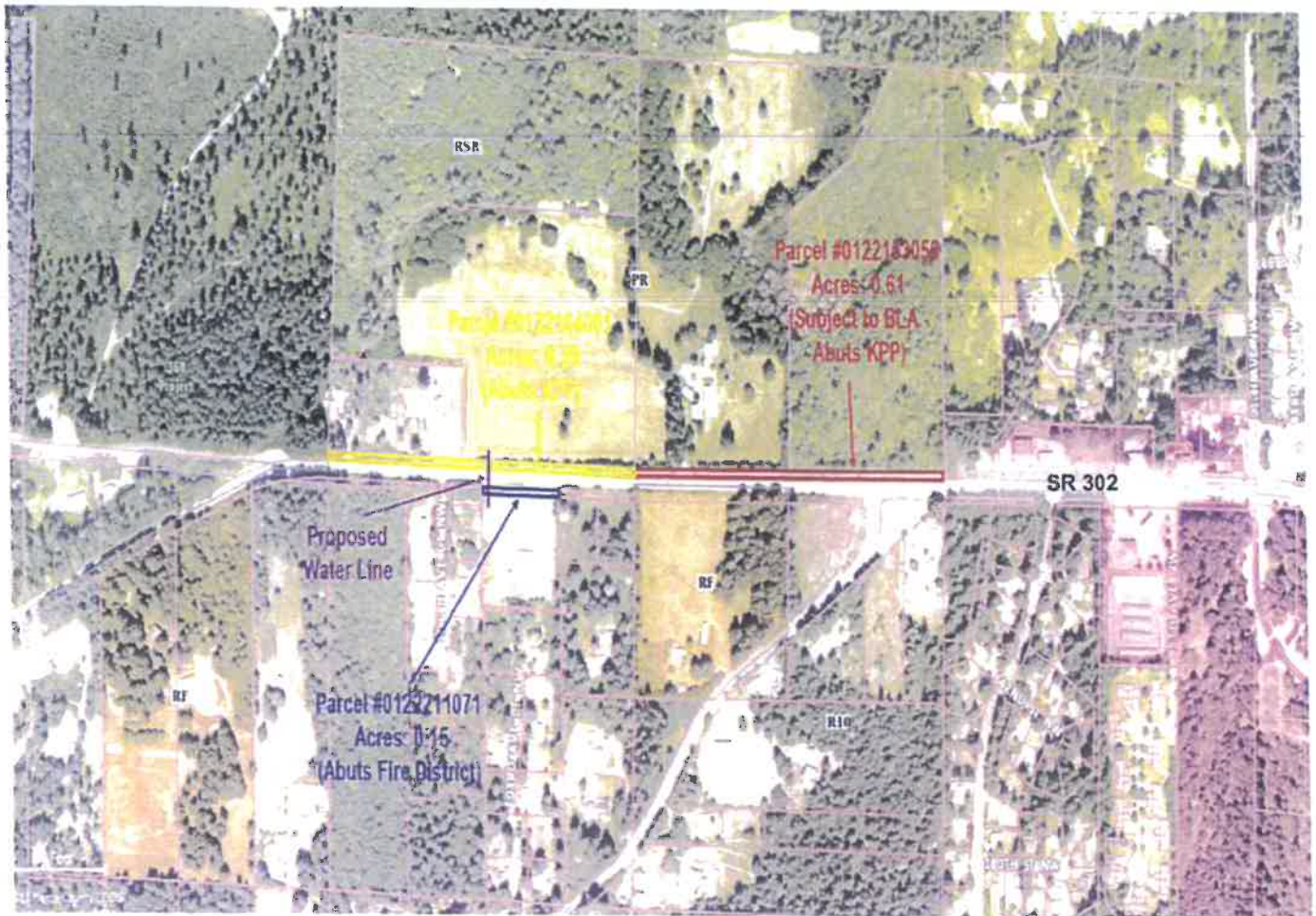
Tacoma Power has negotiated the sale price to Key Pen Parks for \$16,250; this figure takes into consideration the reservation of an easement to Tacoma Power for continued use of the transmission line corridor in the sale property. The sale is subject to both Public Utility Board and City Council approval.

Schedule: Upon approval from the Public Utility Board, Real Property Services will hold a Public Hearing and seek final approval of the transaction from the Tacoma City Council. If approved, the transaction will be completed by October 31, 2017. Your approval is requested to submit this matter to the Public Utility Board for consideration and approval.

APPROVED:

William A. Gaines, Director of Utilities/CEO

Tacoma Power Sale to Key Pen Parks



- Approximately 1.35 Acres
- Portion of Potlatch-Cushman Transmission Line Corridor
 - Two 20-foot-wide strips next to SR 302
 - Retain Easement to Tacoma Power
 - Quit Claim Deed
 - Sale Price - \$16,250



City of Tacoma

Declaration of Surplus Property (DSP)

To: Purchasing Division **Date:** 8.29.17
From: TPU - Tacoma Power
Contact Name: Greg Muller, R.E. Officer **Phone:** 253.502.8256

- ☐ Declaration of Surplus Personal Property
☒ Declaration of Surplus Real Property
☐ Declaration of Unusable Personal Property¹

¹ Items that are broken, unusable, have no commercial, salvage, or donation value, and have no special disposal requirements (e.g., hazardous metals), may be disposed by the owning department. Do not submit DSP Form to Purchasing for these items.

Description of Surplus Property

Describe Item or Attach List: 1.35 Acres of Tacoma Power Potlatch-Cushman Transmission Line Corridor Fixed Asset # N/A
 Address/Location of Items: Portion of Pierce Co. TPN 0122164001, 0122211071, and 0122153058 Accounting (for costs/proceeds):
 Estimated Commercial or Resale Value: \$ 16,250.00 Cost Center: 561100
 Minimum Acceptable Bid: \$ N/A General Ledger Acct: 6411030

I hereby certify the asset(s) listed have no further public use or the sale thereof is in the best interests of the City and declare these items as surplus according to sections 1.06.272 through 1.06.278 of the Tacoma Municipal Code. Items may be sold, transferred, donated or otherwise disposed of in accordance with the City's surplus property policies and the Tacoma Municipal Code.

Department/Division Head Signature

Date

City Manager or Director of Utilities (if over \$200,000)

Date

DISPOSAL REQUEST

(to be completed by department)

Requested Disposal Method(s):

- ☐ Intra City Transfer
 Name of Department _____
☐ Bid Solicitation (Formal / Informal)
☐ Vehicle Auction (attach vehicle surplus form)
 Specify Contract _____
☐ Online Auction Service
 (attach online auction surplus form)
☐ Special Advertisement (attach advertisement)
 Specify Newspaper _____
☐ Supplemental Mailing List (attach)
☐ Website Posting
☐ Special Disposal Requirements (e.g., environmental, regulatory)
☐ Salvage Services
 Specify Contract _____
☐ Donation
☐ 2-Good-2 Toss
☒ Other: Negotiated Sale
☐ Okay for Disposal: _____

DISPOSAL ACTION

Internal Use Only – Purchasing Division

- ☐ Formal Bid No. _____
 Resolution/Ordinance No. _____
☐ Informal Bid No. _____
☐ Online Auction ☐ Website Posting
☐ Special Advertisement ☐ Supplemental Mailings
☐ Contract Services ☐ Intra-City Transfer
☐ Salvage Services ☐ Donation
☐ Okay for Disposal ☐ 2-Good-2 Toss
 Date Advertised/Posted: _____
 Sale Amount: \$ _____
 Sold To: Name _____
 Address _____
 Donated To: Name _____
 Address _____
☐ Hold Harmless Release Received
 Recipient is: ☐ Public Agency ☐ Non-Profit serving
☐ General Public ☐ Employee
 Accounting, if different from above: _____

APPROVED:

Procurement and Payables Manager Date

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
LIGHT DIVISION
REAL ESTATE PURCHASE AND SALE AGREEMENT
AGREEMENT NO. 3147**

Reference No.: P2016-035

Seller: City of Tacoma, Department of Public Utilities,
Light Division, (d.b.a. Tacoma Power)

Buyer: Key Peninsula Metropolitan Park District
Abbreviated

Legal Description: Portion NE Quarter S 21, T 22 N, R 1 E, W.M., and SE Quarter S 16, T 22 N, R 1 E, W.M., Pierce Co., WA

County: Pierce

Tax Parcel No.: 0122211071, 0122164001, and portion of 0122153058

This REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of 8/28/2017 between the **CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION (d.b.a. Tacoma Power)** a first class municipal corporation ("Seller") and **Key Peninsula Metropolitan Park District, a Washington State metropolitan park district**, ("Buyer"), hereinafter referred to as "Key Pen Parks".

RECITALS

WHEREAS, Seller is the owner of certain real property identified herein as the "Property" as more particularly described in Section 1 below.

WHEREAS, Buyer is developing a portion of its real property that abuts the Property owned by Seller as part of its proposed Gateway Park and desires to purchase from Seller, and Seller desires to sell to Buyer the Property on the terms and conditions set forth herein.

WHEREAS, Seller owns, operates, and maintains an electrical transmission line on the Property. Buyer will grant an easement to Seller encumbering the Property allowing Seller to continue to operate and maintain its electrical transmission line.

WHEREAS, prior to conveyance of the Property, Buyer shall complete a Boundary Line Adjustment between tax parcel number 0122164001 and 0122153058 in order to maintain their status as legal lots of record and allow conveyance to Buyer of 0122164001 as revised by the BLA.

WHEREAS, prior to conveyance of the Property, Seller shall grant a license to Buyer to extend a water line across the Property (the "Permit", attached hereto as **Exhibit E**).

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

AGREEMENT

1. Real Property. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth in this Agreement, the real property located in the County of Pierce and State of Washington, more particularly described as follows, and to be amended by the BLA:

{See attached legal description **Exhibit A**}

- 5.2 Buyer's Indemnification. Buyer agrees to assume all liability for and to defend, indemnify and save Seller harmless from all liability and expense (including reasonable costs and attorneys' fees) in connection with all claims, suits and actions of every name, kind and description brought against Seller or its agents or employees by any person or entity as a result of or on account of injuries or damages to persons, entities and/or property received or sustained, arising out of, in connection with or as a result of the acts or omissions of Buyer, or its agents or employees in exercising its rights under this Agreement, except for claims caused by Seller's sole negligence.
- 5.3 Buyer Feasibility Study. Buyer hereby waives the right to conduct inspections or feasibility studies related to the Property and will take title to the Property on an as-is basis.
- 5.4 Pierce County Fire District No. 16 Concurrence. Prior to and as a condition to Closing, Buyer shall provide to Seller a letter from Pierce County Fire District No. 16 stating that the Fire District does not object to the purchase by Key Pen Parks of TPN 0122211071.
- 5.5 Boundary Line Adjustment Review and Approval. Prior to and as a condition to Closing, Buyer, at its sole cost and expense, and subject to the review and approval of Seller, shall provide a completed Boundary Line Adjustment (BLA) between TPN 0122164001 and 0122153058.
6. Condition of the Property.
- 6.1 "As Is". Buyer acknowledges that the Property will be purchased under this Agreement in an "as is" condition. Seller shall surrender the Property in as good condition, except for normal wear and tear, as exists on the date of this Agreement. Seller agrees that it will not damage nor commit waste on the Property between the date of acceptance of this Agreement and the date of closing.
- 6.2 Release. Except with respect to Seller's representations and warranties expressly provided in this Agreement, Buyer releases Seller and its directors, officers, employees, and agents from any and all statutory, common law, and other claims, obligations, causes of action, losses, damages, liabilities costs and expenses (including without limitation attorney fees), unknown to Seller, that Buyer may have against Seller arising from, in whole or in part, or related in any way to (a) the physical condition of the Property (including conditions not readily apparent and the presence of any material classified under state or federal law or regulations as hazardous) or (b) any information provided by Seller.
- 6.3 Evaluations. Buyer agrees that it will rely on its own evaluations of the Property, with the exception of written documentation, including, but not limited to any disclosures required by law, provided to it by Seller, to determine the suitability of the Property for Buyer's intended use. However, Buyer's determination of non-suitability of the Property for Buyer's intended use shall not be a bona fide reason for termination of this Agreement.
7. Closing. This transaction will be closed outside of escrow. The closing will be held at the office of the Seller on or before **October 31, 2017** (the "Closing Date"). If Closing does not occur on or before the Closing Date, or any later date mutually agreed to in writing by Seller and Buyer, Seller will immediately terminate the sale and forward the Deposit to Buyer, less any portion of the Deposit due Seller under Section 11 of this Agreement. When notified by the Seller, Buyer will deposit with Seller without delay all instruments and monies required to complete the transaction in accordance with this Agreement. "Closing," for the purpose of this Agreement, is

defined as the date that all documents are executed, the sale proceeds are available for disbursement to the Seller, and legal title passes to the Buyer.

8. Closing Costs and Prorations. Seller shall pay state of Washington real estate excise taxes, if any, applicable to the sale. Seller shall pay the cost of recording the deed. Property taxes and assessments for the current year, water and other utility charges, if any, shall be prorated as of the Closing Date unless otherwise agreed. Seller is a property tax exempt organization pursuant to R.C.W. 84.36.010, and therefore property taxes will only be due from Buyer for its ownership from and after the Closing Date.

9. Casualty Loss. Seller shall promptly notify Buyer of any event prior to the Closing Date which causes damage to or destruction of any portion of the Property. If Buyer and Seller cannot come to an agreement regarding any such damage to or destruction of the Property, including the settlement of any insurance claims, then Buyer and Seller will each have the right to terminate this Agreement by giving written notice of termination to the other party within twenty (20) days after receipt of actual notice of such casualty loss. Upon exercise of such termination election by either party, this Agreement will terminate, and the Deposit will be returned to Buyer.

10. Possession. Seller shall deliver possession of the Property to Buyer on the Closing Date. Seller shall remove any and all personal property from the Property on or before the Closing Date, unless specifically authorized in writing by Buyer.

11. Events of Default. In the event Buyer fails, without legal excuse to complete the purchase of the Property, Seller may terminate the Permit and Buyer shall, as required by Section 15 of the Permit, remove the water line and all Permitted Uses allowed by the Permit and otherwise fully comply with Section 15. Should Buyer fail to promptly and satisfactorily comply with Section 15 of the Permit, Seller shall have the right, at its sole discretion, to remove the said water line and all other uses and apply any or all of the Deposit to the costs of said removal, returning to Buyer any unused portion of said Deposit.

12. Notices. Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service, given by mail or via facsimile. E-mail transmission of notice shall not be effective. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

Seller: Tacoma Public Utilities – Real Property Services
ABS – 2nd Floor
3628 S. 35th Street
Tacoma, WA 98409
Facsimile No.: (253) 502-8539

Buyer: Key Peninsula Metropolitan Park District
P.O. Box 70
Lakebay, WA 98349
scottg@keypenparks.com
Facsimile No.: N/A

Any notice will be deemed to have been given, when personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail, and if delivered by facsimile, the same day as verified.

13. Counterparts; Faxed Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall

have the same force and effect as if that party had signed all other counterparts. Facsimile transmitted signatures shall be fully binding and effective for all purposes.

14. Brokers and Finders. In the event any broker or other person makes a claim for a commission or finder's fee based upon the transaction contemplated by this Agreement, the party through whom said broker or other person makes its claim shall indemnify and hold harmless the other party from said claim and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by such other party in connection with such claim. This indemnity shall survive the closing of this transaction.

15. Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

16. Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of the time of Closing, will be deemed to be material, and will survive the execution and delivery of this Agreement and the delivery of the Deed and transfer of title for a period of 6 (six) months whereupon they shall terminate. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.

17. Governing Law. This Agreement will be governed and construed in accordance with the laws of the state of Washington.

18. Attorney Fees. If either party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy proceeding.

19. Time of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

20. FIRPTA. The Seller will prepare a certification or equivalent that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA"), and Seller agrees to sign this certification. If Seller is a "foreign person" as the same is defined by FIRPTA, and this transaction is not otherwise exempt from FIRPTA, the Seller will withhold and pay the required amount to the Internal Revenue Service.

21. Waiver. Neither Seller's nor Buyer's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.

22. Nonmerger. The terms and provisions of this Agreement, including without limitation, all indemnification obligations, will not merge in, but will survive, the closing of the transaction contemplated under the Agreement.

23. Assignment. Buyer shall not assign this Agreement without Seller's prior written consent, which consent may not be unreasonably withheld or delayed.

24. Negotiation and Construction. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party.

25. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such further acts, deeds and assurances, which may reasonably be required to give effect to the Agreement contemplated herein.

26. Waiver of RCW 64.06 Disclosure. Buyer and Seller acknowledge that the Property may constitute "Commercial Real Estate" or "Residential Real Property" as defined in RCW 64.06.005. Buyer waives receipt of the seller disclosure statement required under RCW 64.06 for transactions involving the sale of such real property, except for the section entitled "Environmental." The Environmental section of the seller disclosure statement is attached to this Agreement as Exhibit "D" (the "Disclosure Statement").

27. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

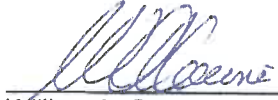
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

BUYER:

TACOMA POWER

KEY PEN PARKS



William A. Gaines 8/28/17
Director of Utilities / CEO Date

Edward Robison Date
President of the Board of
Commissioners



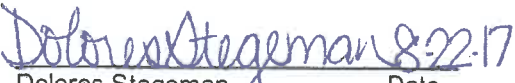
Chris Robinson 8/28/17
Power Superintendent / COO Date

Approved as to form:




William Foshe 8-16-17
Office of City Attorney Date


City of Tacoma Review



Dolores Stegeman 8-22-17
Transmission and Distribution Power Section Manager Date




Joseph A. Wilson Date
Transmission and Distribution Power Section Assistant Manager



Jeff Singleton 08/21/17
Chief Surveyor Date

FINANCE:



Andrew Cherullo 8/25/17
Director of Finance Date

es
P

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

BUYER:

TACOMA POWER

KEY PEN PARKS

William A. Gaines Date
Director of Utilities / CEO

Edward Robinson Robinson Date
President of the Board of
Commissioners

Chris Robinson Date
Power Superintendent / COO

Approved as to form:

Office of City Attorney Date

City of Tacoma Review

Dolores Stegeman Date
Transmission and Distribution Power Section Manager

Joseph A. Wilson Date
Transmission and Distribution Power Section Assistant Manager

Jeff Singleton Date
Chief Surveyor

FINANCE:

Andrew Cherullo Date
Director of Finance

Exhibit "A"

Legal Description

That portion of the Tacoma Power Potlatch-Cushman transmission line corridor identified as Pierce County tax parcel number 0122164001 and a portion of Pierce County tax parcel number 0122153058 lying adjacent to and southerly of that real property identified as Pierce County tax parcel numbers 0122168001, 0122168002, 0122168003, 0122168004, 0122164701, 0122153701, and 0122153702;

Together with that portion of the Tacoma Power Potlatch-Cushman transmission line corridor identified as Pierce County tax parcel number 0122211071 lying adjacent to and northerly of that real property identified as Pierce County tax parcel number 0122215026;

all located in Pierce County, State of Washington.

EXHIBIT "B"

DEED

(Pro Forma)

After Recording Mail To:

TACOMA PUBLIC UTILITIES
ABS 2nd Floor
3628 S. 35th Street
Tacoma, WA 98409
Attn: Real Property Services

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
QUIT CLAIM DEED NO. 6757**

Reference No.	P2016-035
Grantor:	City of Tacoma, Department of Public Utilities, Light Division (d.b.a. Tacoma Power)
Grantee:	Key Peninsula Metropolitan Park District
Abbr. Legal Description:	Portion of the NE Quarter of Section 21, Township 22 North, Range 1 East, W.M., and of the SE Quarter of Section 16, Township 22 North, Range 1 East, W.M., all in Pierce County, WA.
Tax Parcel Nos:	0122211071 and 0122164001

The Grantor, CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION, a municipal corporation, for good and valuable consideration, hereby conveys and quit claims to Key Peninsula Metropolitan Park District, a Washington State metropolitan park district, as Grantee, all its interest in the following described real property situate in Pierce County, State of Washington:

PARCEL A:

(INSERT LEGAL DESCRIPTION)

Also known as Pierce County Tax Parcel Number 0122164001.

PARCEL B:

(INSERT LEGAL DESCRIPTION)

Also known as Pierce County Tax Parcel Number 0122211071.

Authorized by City Council Resolution No. XXXXX adopted XXX XX, 2017 at the request of Public Utility Board Resolution No. U-XXXXX adopted on XXX XX, 2017.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers this _____ day of _____, 2017.

CITY OF TACOMA

By: _____
Mayor

Attest:

City Clerk

Accepted by Grantee

By: _____
Printed Name: _____
Title: _____
Date: _____

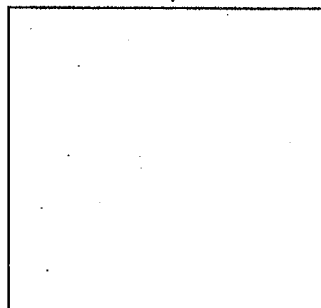
P2016-035/D6757

STATE OF WASHINGTON)
COUNTY OF PIERCE)

On this ____ day of _____, 2017, before me personally appeared Marilyn Strickland, to me known to be the Mayor of the City of Tacoma, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the City of Tacoma, for the uses and purposes herein mentioned, and on oath stated that she was authorized to execute said instrument and that the seal affixed is the corporate seal of the City of Tacoma.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Place Notary Seal In Box



Notary Public in and for the State
of Washington
Residing in _____
My Commission Expires _____

P2016-035/D6757

**CITY OF TACOMA
DEPT. OF PUBLIC UTILITIES**

APPROVED:

William A. Gaines
Director of Utilities/CEO

AUTHORIZED:

Chris Robinson
Power Superintendent / COO

REVIEWED:

Dolores Stegeman
Transmission and Distribution Power Section Manager

Joseph A. Wilson
Transmission and Distribution Power Section Assistant Manager

REVIEWED:

Jeff Singleton
Chief Surveyor

APPROVED AS TO FORM:

Michael W. Smith
Deputy City Attorney

EXHIBIT "C"

EASEMENT

(Pro Forma)

WHEN RECORDED RETURN TO:
Tacoma Public Utilities
Real Property Services
PO Box 11007, Tacoma, WA 98411

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
EASEMENT NO. 13489

Reference No.	P2016-035 GWM
Grantor:	Key Peninsula Metropolitan Park District (d.b.a. Key Pen Parks)
Grantee:	City of Tacoma, Department of Public Utilities, Light Division (d.b.a. Tacoma Power)
Legal Description:	Portion of the NE Quarter of Section 21, Township 22 North, Range 1 East, W.M., and of the SE Quarter of Section 16, Township 22 North, Range 1 East, W.M., all in Pierce County, WA.
Complete Description:	Exhibit A
Tax Parcel Nos.:	0122211071 and 0122164001

The undersigned Key Peninsula Metropolitan Park District, a Washington State metropolitan park district, organized and existing under the laws of the State of Washington, by and through (name of authorized signer), its (title), record owner of the premises hereinafter described, hereinafter referred to as "Key Pen Parks" and/or "Grantor", for good and valuable consideration from the City of Tacoma, Department of Public Utilities, Light Division (d.b.a. Tacoma Power), hereinafter referred to as "Tacoma Power" and/or "Grantee", the receipt of which is hereby acknowledged, does hereby grant unto said Tacoma Power, its successors and assigns, an easement for ingress and egress and for the construction, operation,

maintenance, alteration, repair, and replacement of existing and future overhead, aboveground, and underground utilities including, but not limited to, transmission, distribution, and communications/data lines and wires, guy wires, towers, poles, conduits and all associated appurtenant equipment in, upon, over, under, through, along and across the following real property situate and being in the County of Pierce, State of Washington, to-wit:

As described in Exhibit "A" and as depicted in Exhibit "B", both attached hereto and by this reference incorporated herein;

Together with the right to trim and keep trimmed all vegetation located upon the tracts of land above described.

It is agreed that the Grantor and its successors shall not construct any permanent structures within the easement area; provided that the easement area may be used for continued driveway ingress/egress to the extent such use does not interfere with Grantee's use of said area as provided for herein.

The Grantor shall at all times provide access to Tacoma Power staff and its contractors to change, repair, renew or remove said equipment or facilities. The Grantor herein further grants to Tacoma Power, its contractors and/or agents, the right to hereafter temporarily enter upon the Grantor's remaining lands where necessary to construct, replace, or maintain said facilities.

The Grantor, its successors and assigns, does hereby agree to indemnify, defend and save harmless Tacoma Power, its officers, employees, agents and volunteers from and against any and all claims, demands, lawsuits, damages, liabilities, losses and expenses (including reasonable attorneys' fees and costs) arising directly or indirectly out of any act or omission of the Grantor, its agents, contractors, licensees or guests and involving the subject matter of this Easement. The

foregoing shall expressly apply to any and all actual or alleged injury to persons (including death) and/or damage to property, except to the extent such injury or damage results from the fault of Tacoma Power, its officers, employees, agents or volunteers. The term "fault" as used herein shall have the meaning set forth in RCW 4.22.015, as that statute may hereafter be amended.

{Remainder of page intentionally left blank}

P2016-035 GWM/E13489

IN WITNESS WHEREOF, I have executed this instrument at _____,
Washington on behalf of Key Peninsula Metropolitan Park District, said Washington
State metropolitan park district having caused its corporate name to be hereunto
subscribed and affixed and these presents to be executed by its (Title) thereunto
duly authorized, this _____ day of _____, 2017.

Key Peninsula Metropolitan Park District

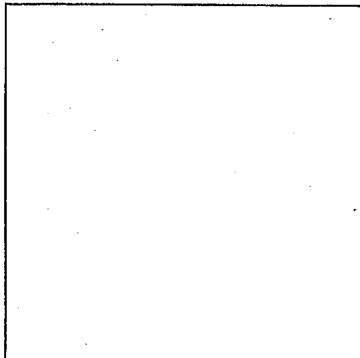
Authorized Signer, Title

STATE OF WASHINGTON)
) SS
COUNTY OF _____)

I certify that I know or have satisfactory evidence that Authorized Signer is the
person who appeared before me, and said person acknowledged that he/she
signed this instrument, and on oath stated that he/she was authorized to execute
the instrument and acknowledged it as the Title of Key Peninsula Metropolitan Park
District to be the free and voluntary act and deed of such Washington State
metropolitan park district for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2017.

Place Notary Seal in Box



Notary Public in and for the State
of _____
Residing in _____
My Commission Expires _____

P2016-035 GWM / E13489

Dated this _____ day of _____, 2017

Accepted:

Chris Robinson
Power Superintendent / COO

Reviewed:


Dolores Stegeman
Transmission and Distribution Power Section Manager

Joseph A. Wilson
Transmission and Distribution Power Section Assistant Manager

Form Approved:

Michael W. Smith
Deputy City Attorney

<p align="center">City of Tacoma - Department of Public Utilities Light Division Easement No. 13489</p>		
<p align="center">Northeast Quarter (NE ¼) of Section 21 and Southeast Quarter (SE ¼) of Section 16, Township 22 North, Range 1 East, W.M., In Pierce County, Washington</p>		
<p>Parcel A: (Insert Legal Description)</p> <p>Also known as Pierce County Tax Parcel Number 0122164001.</p> <p>Parcel B: (Insert Legal Description)</p> <p>Also known as Pierce County Tax Parcel Number 0122211071.</p>		
<p>Reference No. P2016-035 GWM</p>	<p>Legal Description reviewed for Tacoma Power by Chief Surveyor, _____ Date: _____</p>	<p align="center">Exhibit A</p>

<p align="center">City of Tacoma - Department of Public Utilities Light Division Easement No. 13489</p>		
<p align="center">Northeast Quarter (NE ¼) of Section 21 and Southeast Quarter (SE ¼) of Section 16, Township 22 North, Range 1 East, W.M.; In Pierce County, Washington</p>		
<p align="center">REAL PROPERTY SERVICES ILLUSTRATION</p>		
<p>Reference No. 2016-035 GWM</p>	<p>This illustration is not to scale. It is provided as a customer convenience to assist in identifying significant characteristics of the installation. No liability is assumed by reason of reliance hereon.</p>	<p align="center">  </p>
<p align="right">Exhibit B</p>		

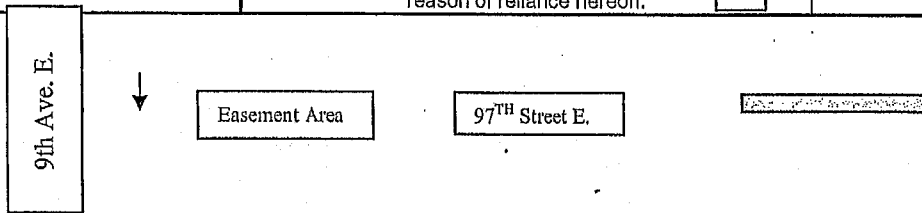


Exhibit D

REAL PROPERTY DISCLOSURE STATEMENT

(ENVIRONMENTAL ONLY)

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any * items, please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and sign each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur **not later than five business days**, unless otherwise agreed, after mutual acceptance of a written contract to purchase between a buyer and a seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT (*) - See below ("THE PROPERTY"), OR AS LEGALLY DESCRIBED ON ATTACHED EXHIBIT

(*) Piele Co. TPN's 01222 11071, 0122153058, and 0122164001

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS, OR WARRANTIES.

Seller ☐ is/ ☒ is not occupying the property.

I. SELLER'S DISCLOSURES:

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

ENVIRONMENTAL	YES	NO	DON'T KNOW
*A. Has there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
*B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
*C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
*D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
*E. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
*F. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
*G. Has the property been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
*H. Does any part of the property contain fill dirt, waste, or other fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
*I. Has the property been used for commercial or industrial purposes? <i>Electric Transmission Lines</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*J. Are there any radio towers that cause interference with cellular telephone reception?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy hereof. I/we authorize all of my/our real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

DATE: 7-28-17

SELLER: 

DATE: _____

SELLER: _____

NOTICE TO BUYER

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

BUYER'S ACKNOWLEDGMENT

- A. Buyer hereby acknowledges that: Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
- B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
- C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
- D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.
- E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

Date:

08/23/2017

BUYER



Date:

BUYER

EXHIBIT "E"

PERMIT

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES
PERMIT NO. P2407**

Reference No.:	P2016-035/P2407
Licensor:	City of Tacoma, Department of Public Utilities, Light Division (d.b.a. Tacoma Power)
Licensee:	Key Peninsula Metropolitan Park District (d.b.a. Key Pen Parks), a Washington State metropolitan park district
Legal Description:	Northeast Quarter (NE ¼) of Section 21, Township 22 North, Range 01 East, W.M. and Southeast Quarter (SE ¼) of Section 16, Township 22 North, Range 01 East, W.M.
Licensor's Tax Parcel No.(s):	0122211071 and 0122164001
County:	Pierce
Permit Expiration Date:	October 31, 2017

CONTACT INFORMATION

LICENSEE:

Key Pen Parks
Scott Gallacher, Executive Director
P.O. Box 70
Lakebay, WA 98349
(253) 884-9240

LICENSOR:

Tacoma Public Utilities
Real Property Services
3628 South 35th Street
Tacoma, Washington 98409
(253) 396-3060

This Permit ("Permit") made and entered into this 28th day of August, 2017 ("Effective Date"), by and between the CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES LIGHT DIVISION (d.b.a. Tacoma Power), a municipal corporation, hereinafter referred to as "Licensor" and Key Peninsula Metropolitan Park District (d.b.a. Key Pen Parks), a Washington State metropolitan park district, hereinafter referred to as "Licensee."

RECITALS

A. Licensor owns, operates, and maintains the Premises defined below as part of and in relation to its utility operations.

B. Licensee is developing a portion of its real property that abuts the Premises as part of its proposed Gateway Park and desires to purchase the Premises from Licensor.

C. Prior to the conveyance of the Premises, Licensee must complete a Boundary Line Adjustment ("BLA") between tax parcel number 0122164001 and 0122153058 in order to maintain their status as legal lots of record and allow conveyance to Buyer of 0122164001 as revised by the BLA.

D. As part of the Gateway Park development, Licensee must extend a water line, provided by Washington Water Service, across the Premises to the proposed park.

E. In order to proceed expeditiously with construction of the proposed park, Licensee desires to begin initial installation and operation of the water line before the BLA can be completed and the Premises conveyed to Licensee.

F. Licenser is willing to grant permission to Licensee to access and use the Premises strictly for the use specified in this Permit and issue Licensee a license to use said Premises per the terms and conditions specified in this Permit.

NOW THEREFORE, in consideration of the mutual promises contained in this Permit, the parties agree as follows:

1. LICENSE.

A. Grant of License / Description of Premises. Licenser grants to the Licensee limited, non-exclusive, revocable permission to use the following described Premises for the Permitted Use stated below subject to all the terms and conditions of this Permit:

Portion of Pierce County Tax Parcels 0122211071 situated in the NE Quarter of Section 21, Township 22 North, Range 1 East, W.M., and 0122164001 situated in the SE Quarter of Section 16, Township 22 North, Range 1 East, W.M, all in Pierce County, WA, and as depicted on Exhibit A, hereinafter "Premises".

B. Purpose.

i. Permitted Use. Licenser permits the Premises to be used by the Licensee, and Licensee's agents, contractors, employees, customers, guests, and invitees, only for the following express purpose:

Construct a water line over approximately 40 feet of the Premises to connect to Licensee's proposed Gateway Park property, as depicted in Exhibit A, attached hereto and by this reference incorporated herein, hereinafter "Permitted Use".

Licensee shall design and construct the permitted facilities or improvements in accordance with the construction requirements in Exhibit B, "Construction Requirements" attached hereto and incorporated herein.

ii. No Other Use Is Permitted. Licensee may only use the Premises in strict accordance with this Permit. Licensee shall make no other use of the Premises or change or enlarge Licensee's use thereof without prior written approval of Licenser.

C. No Property Rights Are Granted. This Permit does not convey any right, title, or interest in real property or in the above described Premises. The permission granted by this Permit is a license to use real property only.

D. CONDITION OF PREMISES. LICENSEE HAS INSPECTED THE PREMISES AND ACCEPTS IT IN ITS PRESENT CONDITION "AS-IS." LICENSOR EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE PREMISES ARE SUITABLE FOR THE PERMITTED USE.

E. Third-Party Obligations. Licensee shall ensure that its agents, contractors, employees, customers, guests, and invitees shall comply with all the requirements, obligations, limitations, and restrictions of this Permit. The Permit and permissions granted herein are contingent upon Licensee and Licensee's agents, contractors, employees, customers, guests, and invitees complying with all the terms and conditions of this Permit.

F. Special Conditions.

Special Conditions are attached to this Permit as Exhibit C, "Special Conditions".

2. PERMIT PERIOD

A. Term. The term of this Permit and the permission and license granted herein shall be effective beginning on the Effective Date and terminating as of October 31, 2017.

B. Permit Extension. Licensee may submit a term extension request and applicable fee to Licensor no later than sixty (60) days before the Permit terminates per Section 2.A. A mandatory site inspection will be required for all Permit term extensions. After receipt of the request and site inspection, Licensor may, in its sole discretion, increase the term of this Permit. Permit extensions will not be granted if any conditions have changed since the original Permit was granted and/or any permitted structures or improvements are not in compliance with the terms and conditions of this Permit.

C. Permit Re-Issuance. In the event this Permit is terminated and Licensor thereafter grants a new Permit to Licensee, Licensee shall pay all fees owing to process a new permit.

3. FEES AND COSTS

A. Fees. In contemplation of the sale of the property to the Licensee, no Land Use Permit Fee shall apply to the initial grant of license. However, the Consideration for the proposed sale of the Property as detailed in the Real Estate Purchase and Sale Agreement (the "Agreement") between Key Pen Parks and Tacoma Power, pursuant to which this Permit is issued, shall be tendered to Tacoma Power prior to issuance of this Permit.

B. Licensee Assumes all Costs. Licensee hereby expressly assumes liability and responsibility for all expenses and costs associated with this Permit and the Permitted Use.

C. Licensee to Pay Costs to Enforce Conditions of Permit. Licensee agrees to reimburse Licensor for any costs (including reasonable attorney's fees) that Licensor may incur in enforcing the terms and conditions of this Permit.

D. Licensee Liable for Damages. Licensee shall pay or reimburse Licensor for all damages to Licensor's property or the Premises resulting from the actions of Licensee or any of Licensee's agents, guests, or invitees.

E. Leasehold Excise Tax. In addition to the Land Use Permit Fees, Licensee shall pay Licensor:

- i. all leasehold excise tax (as required by RCW 82.29A in lieu of real property taxes) to the extent that any is determined to be due as a result of this Permit,

ii. any surface water and other governmental charges and assessments (special and general) of every kind and nature levied or assessed against the Premises, and

iii. any taxes levied or assessed in lieu of the foregoing, in whole or in part.

Leasehold excise tax is calculated by the State, and assessed against a variety of interests in real property, including, without limitation, permits, licenses and facility use agreements (none of which are leases) using a percentage multiplier of either the rent/use fee/permit fee/license fee required hereunder or an imputed fair market value of the same, and as a result, Licensee shall be responsible for any increases in leasehold excise tax that result from an increase in rent/use fee/permit fee/license fee for the Premises over the term hereof, or for increases due to an increase in the statutory rate during the term of this Permit. If Licensee provides Licensor with a proof of exemption from payment of leasehold excise tax issued by the Washington State Department of Revenue, then Licensee shall not be required to pay leasehold excise tax for the period that such exemption is effective. If the exemption is of limited duration, Licensee shall be required to obtain documented renewal of such exemption and provide such to Licensor in order to claim continued exemption under this Permit.

4. MAINTENANCE OF PREMISES AND IMPROVEMENTS

A. Maintenance Requirements. The Premises, including any improvements, structures, facilities, and/or equipment will be maintained at the Licensee's sole cost, in a safe condition, in a clean and neat manner, and in accordance with the specifications of the Permit and attached Exhibits.

B. Assumption of Risk. Any improvements, facilities, or equipment allowed per this Permit on the Premises shall be subject to being damaged by Licensor's use or operations. Licensee assumes the risk of these limited use rights and will be responsible for the costs and expenses in restoring the Premises.

C. Maintenance Notice. Licensee shall notify Licensor four (4) weeks prior to scheduled maintenance of the Premises or improvements permitted by this Permit that could potentially interfere with Licensor's use of the Premises. The parties agree that if maintenance schedules result in a construction or use conflict, Licensor's schedule shall prevail. If emergency maintenance is required on Licensee's facilities, Licensee shall notify Licensor as soon as reasonably practical.

5. NO WARRANTY

Licensor does not warrant its authority to permit the above described Permitted Use, and Licensee shall secure any other rights or permissions that are needed for Licensee's lawful use of the Premises.

6. PURPOSE AND CONTROL OF PREMISES

Licensor owns the Premises as part of its utility system, and the Premises are necessary for the operation, maintenance, and improvement of its utility system facilities. Licensee therefore acknowledges that the primary purpose of the Premises is Licensor's operations. Thus, the permission granted by this Permit is subject and subordinate to Licensor's paramount rights and operations. Licensee shall not in any way interfere with Licensor's use of or operations on the Premises. Licensee shall not prohibit or in any way limit access to the Premises by any

city, state, or federal regulatory agency, Licensor, or other party granted permission by Licensor to access and use the Premises. Licensor may, in its sole discretion, require Licensee to move or modify its use, operations, facilities, or structures at Licensee's expense. Further, Licensee, its agents, employees, or property is subject to the hazards of Licensor's utility operations, which Licensee hereby expressly assumes.

7. TEMPORARY EXCLUSIVE CONTROL

A. Exclusive Control. Licensor, in its sole discretion, may assert temporary exclusive control over the Premises, including temporarily excluding Licensee from the Premises, when exclusive control is needed for Licensor's operations.

B. Hold Harmless. Licensee agrees to hold Licensor harmless against any claims, demands or damages related to denial of access and use of the Premises.

8. PERMIT NON-EXCLUSIVE / SUBJECT TO REGULATION AND CITY OF TACOMA POLICY

A. Other Permits. This Permit is nonexclusive and shall not prohibit Licensor from granting permits or licenses to the same Premises to others.

B. Other Agreements. The rights granted by this Permit shall be subject to any prior, concurrent, or subsequent agreements or contracts entered into or that may be entered into by Licensor or the City of Tacoma.

C. Regulation. Licensee shall obtain all applicable permits or approvals from federal, state, or local agencies prior to use of or construction on the Premises as allowed by this Permit. The Licensee shall give full cooperation to any federal, state, county, or local agencies having jurisdiction over the Premises or use of the Premises.

D. City of Tacoma Policy. Licensor and the City of Tacoma reserve the right to prescribe additional rules, policies, and regulations relating to the rights, use, and permission granted under this Permit. Licensor will endeavor to give sixty (60) days' notice to Licensee of any such additional rules, policies, and regulations.

9. SUPERVISION

Licensee shall give the conduct, operation, and maintenance of the Premises and Permitted Use its personal supervision and direction.

10. NUISANCES PROHIBITED

The Licensee will maintain the Premises in a clean, neat, and orderly manner and will not create or permit any nuisance to exist or allow the Premises to be used for any immoral or unlawful purposes.

11. NONLIABILITY

Licensor shall not be liable to the Licensee or to any third parties entering upon the Premises related to or in furtherance of any act or thing done in connection with the Permitted Use or other use of the Premises. Licensee, on behalf of itself and its employees, personnel,

contractors, agents, invitees, or licensees expressly assumes all risks associated with the Permitted Use or other use of the Premises.

12. INDEMNIFICATION

Licensor shall in no way be liable or responsible for any injury or damage done or occasioned by the actions or operations of Licensee or Licensee's contractors, agents, employees, customers, guests, and invitees under this Permit, and Licensee binds and obligates itself to pay and satisfy any and all claims arising on account of its operations under this Permit. To the fullest extent allowed by law, the Licensee agrees to indemnify, defend and hold harmless the Licensor and the City of Tacoma, its officers and employees, from and against any and all claims for damages or loss to the Licensor's or the City of Tacoma's operations or property and from any and all claims or litigation arising in connection with this Permit and/or Licensee's use of the Premises. This includes damages to or loss of property and personal injury, including injury to or death of Licensee or Licensee's agents, contractors, employees, customers, guests, and invitees, which may be caused or occasioned by the existence, operation, use or maintenance of any and all of the property subject of this Permit or associated with the license granted hereunder, or caused or occasioned by any act, deed or omission of the Licensee, Licensee's contractors, agents, employees, guests, customers or invitees.

In this regard, Licensee hereby waives immunity under Title 51 RCW, Industrial Insurance Laws, and acknowledges that this provision has been mutually negotiated. The Licensor and the City of Tacoma agree to be responsible for its sole negligence or the sole negligence of its employees and officers occurring within the scope of their employment.

13. HAZARDOUS SUBSTANCES AND/OR CONDITIONS

A. No goods, merchandise or material shall be kept, stored or sold on the Premises which are in any way explosive or hazardous; and no offensive or dangerous trade, business or occupation shall be conducted therein, thereon or therefrom other than as provided for in this Permit. No machinery or apparatus shall be used or operated on the Premises which will in any way injure the Premises; provided, however, that nothing in this paragraph shall preclude Licensee from bringing, keeping or using on or about the Premises such materials, supplies, equipment and machinery as are necessary or customary in carrying out the authorized uses under this Permit.

B. In the event such uses include keeping or storing inflammable or explosive substances, such substances shall be stored in closed containers and shall be stored, used or dispensed in the manner prescribed by the regulations of Licensor or other public body having authority in the matter and, in any event, in the safest manner reasonably possible. Licensee shall be solely liable for the remediation of any Hazardous Substance and/or conditions on the Premises resulting from Licensee's use of Premises. "Hazardous Substance" means any substance which now or in the future becomes regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination or cleanup.

14. INSPECTION

This Permit is a Real Property license and conveys no possessory interests whatsoever. Licensor may, therefore, enter the Premises at any time for any reason.

15. TERMINATION

A. Notice of Termination. This Permit may be terminated by the Licensee or Licensors upon thirty (30) days' written notice, for any reason stated in said notice, mailed by certified mail to the Licensee at P.O. Box 70 Lakebay, Washington 98349, OR to Licensors at Real Property Services, P.O. Box 11007, Tacoma, Washington 98411.

B. Operational Necessity. In the event it should become necessary, as determined by Licensors in its sole discretion, for Licensors to make use of the Premises to such an extent as to necessitate discontinuance of the use thereof by the Licensee, Licensors may terminate this Permit by giving Licensee written notice of such termination at any time. Said notice to be given by certified mail addressed to Licensee at P.O. Box 70 Lakebay, Washington 98349, and termination shall be effective IMMEDIATELY upon delivery thereof.

C. Insolvency/Bankruptcy. It is hereby agreed that if the Licensee becomes either insolvent or files a proceeding in bankruptcy, or if a receiver is appointed, Licensors may, upon giving ten (10) days' notice to the Licensee, cancel this Permit and Licensee shall cease the Permitted Use and vacate the Premises.

D. Vacation of Premises. Upon the termination of this Permit for any reason, the Licensee agrees to promptly and peaceably vacate the subject Premises and to return said Premises and any structures and/or improvements located on the Premises prior to the beginning date of this Permit to Licensors in as good condition as the same existed prior to the execution of this Permit, reasonable wear and tear excepted. If the Licensee's structures and/or improvements existed prior to this Permit, the Licensee shall return the Premises to the Licensors in a condition that is satisfactory to the Licensors. Satisfactory condition of the returned Premises shall be determined at the Licensors' sole discretion. Any damages to the subject Premises or to cultural resources on the Premises shall be repaired at Licensee's expense.

16. ASSIGNMENT

This Permit is non-assignable and non-transferable.

17. MISCELLANEOUS

A. Entire Agreement. This Permit constitutes the entire agreement and understanding of the Parties and supersedes all discussions and other agreements between the parties. There are no representations or understandings of any kind not set forth herein. Notwithstanding anything to the contrary in this section, Licensors policies, regulations, and procedures will apply to and govern the terms and conditions and the permission granted by this Permit.

B. Amendments. Any amendments to this Permit must be in writing and executed by both Parties.

C. Governing Law. This Permit shall be construed in accordance with the laws of the State of Washington.

D. Enforceability. Parties agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable.

E. Exhibits. All Exhibits referred to herein or attached hereto are incorporated herein for all purposes.

F. Mutual Negotiation. Licensee acknowledges that this Permit has been mutually negotiated and any ambiguity regarding the terms and conditions herein shall not be construed or interpreted against Licensor as the drafter of this Permit.

G. Recording. This Permit or a memorandum hereof may, at the Licensor's sole discretion, be recorded in any public office.

H. No Waiver. Failure of Licensor to insist on the performance of any of the terms and conditions of this Permit, or the waiver of any breach of any of the terms and conditions of this Permit, shall not be construed as waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

I. Section Headings. The titles to the sections and paragraphs of this Permit are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Permit.

J. Counterparts; Faxed Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts. Facsimile transmitted signatures shall be fully binding and effective for all purposes.

K. Survival

The following sections will survive the termination of this Permit and remain enforceable against Licensee after termination:

Sections 2.C (Permit Re-Issuance), 7. (Temporary Exclusive Control), 12. (Indemnification), 13. (Hazardous Substances and/or Conditions), 15. (Termination), 17.C (Governing Law), and 17.D (Enforceability).


IN WITNESS WHEREOF, I have executed this instrument at Pierce County, Washington on behalf of the Key Peninsula Metropolitan Park District, said entity having caused its name to be hereunto subscribed and affixed and these presents to be executed by its President of the Board of Commissioners thereunto duly authorized this 23 day of August, 2017.


Edward Robinson **ROBINSON**
President of the Board of Commissioners

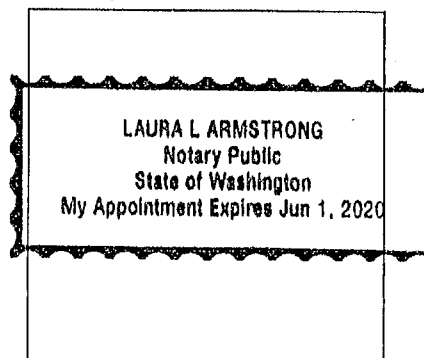
STATE OF WASHINGTON)
) SS
COUNTY OF Pierce)

I certify that I know or have satisfactory evidence that Edward Robinson is the person who appeared before me, and said person acknowledged that he signed this instrument, and acknowledged it as the President of the Board of Commissioners of the Key Peninsula Metropolitan Park District to be the free and voluntary act of such parties for the uses and purposes mentioned in the instrument.

Dated this 23 day of August, 2017.


Notary Public in and for the State
of Washington
Residing in Pierce County
My Commission Expires 6.1.2020


Place Notary Seal in Box



Dated this 28th day of August, 2017.

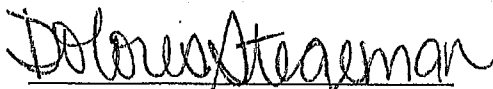
Approved:

City of Tacoma
Department of Public Utilities

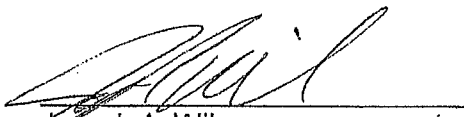


Chris Robinson
Power Superintendent / COO

Reviewed:




Dolores Stegeman
Transmission & Distribution Power Section Manager



Joseph A. Wilson
Transmission & Distribution Power Section Assistant Manager

Form Approved:



for Michael W. Smith
Deputy City Attorney

Reviewed:



Real Property Services

Approved

Finance Director

Key Pen Parks – Temporary Construction Permit

Exhibit "A"

Key Pen Parks requests a temporary permit in a 15-foot wide section of the two Tacoma Public Utilities parcels, Pierce Co. TPNs 0122211071 and 0122164001. The proposed permitted area is on either side of SR 302 (as shown on Page 2 of Exhibit A) and congruent with the easement shown across the west side of Lot 4 of Short Plat 8303150349 described in document filed with Pierce County Auditor under A.F.N. 8303150349.

Washington Water Service Co. (WWSC) will bore a 2-inch HDPE water service line from the north side of Tax Parcel 0122164001 to the south end of Lot 4 within the easement shown in Short Plat 8303150349 and connect to the existing WWSC water line. The new HDPE water line will be pulled from the proposed connection to the existing water line onto the proposed Gateway Park parcel north of SR 302. The water line depth will be a minimum of 36 inches throughout the installation.

On either side of the SR 302 right-of-way an excavation will be opened to allow for the installation of a 4-inch casing for the water line where it runs under the SR 302 road right-of-way.

**EXHIBIT B
CONSTRUCTION REQUIREMENTS**

1. RESPONSIBILITY FOR CONSTRUCTION COSTS

Licensee is solely responsible for all costs, expenses, and responsibilities for the construction, installation, operation and maintenance of any permitted structure(s) and/or improvement(s), including the expense of obtaining all necessary federal, state and local permits or approvals. Licensor shall not be responsible for any such costs, whether or not presently known or contemplated.

2. CONSTRUCTION REQUIREMENTS

- A. Licensee shall design and construct facilities to minimize use of the Premises and ensure safe conditions.
- B. Licensee shall maintain a safe distance between construction equipment and Licensor's towers and/or conductors in accordance with National Electric Safety Code, Washington Administrative Code, and Licensor's standards.
- C. Licensee shall submit construction plans and drawings to Licensor for review and approval at least four (4) weeks prior to planned construction. Licensee shall not begin construction until all plans and drawings are approved by Licensor and written notice has been delivered to Licensee.
- D. Upon request, Licensee shall submit a cathodic protection plan to Licensor for initial approval. The plan will show the proposed method to ensure stray currents do not affect Licensor's facilities and/or structures. In addition, the plan will include test stations and a testing plan for Licensor to ensure the system is operating as intended. The cost of all bonding, test stations, and other construction required to ensure protection of Licensor's facilities and/or structures shall be borne by Licensee. A final construction report from Licensee indicating "as built" construction conditions, photographs of cathodic protection and Licensor installations, and final electrical readings to ensure the system is operating as intended, shall be forwarded to Licensor upon project completion. Report and inspection shall be conducted by an approved testing or consulting firm knowledgeable in cathodic protection and construction management. Licensee shall ensure that the cathodic protection system operates effectively at all times and shall bear all costs associated with necessary repairs and modifications.
- E. Inspection of the Premises may be performed by the Licensor before, during and after construction to ensure that Permit/License requirements, including restoration of the Licensor's property are met. If such inspections are required, Licensor will provide an inspection schedule and estimated fees. Licensee agrees to pay for all required inspections.
- F. No blasting shall be done during construction.
- G. The limits of any underground utilities shall be marked with four (4) inch diameter white PVC pipe extending two (2) feet above and below grade so they can be recognized. The four (4) inch diameter marks should be clearly labeled with the specific utility type and shall be placed every 100 feet along the utility route. Alternate marker types must be approved, in writing, by Licensor.
- H. Licensee shall notify Licensor, P.O. Box 11007, Tacoma, Washington 98411 at 253-396-3060 at least four (4) weeks prior to the commencement of construction activities, and the parties agree that if construction or use conflicts exist, Licensor's schedule shall prevail.
- I. All road crossing and all utility construction, including compaction and backfill, shall be done in accordance with the current edition of the standard specifications for Road, Bridge, and Municipal Construction as published by the Washington State Department of Transportation. All crossings of

existing utility line roadways shall be compacted to 95 percent of maximum density using approved backfill materials in accordance with these specifications. All roadways must be left passable overnight for Licensor's vehicular access.

J. Licensee warrants that no hazardous substances, toxic waste, or other toxic substance will be produced, disposed of or kept on the Premises which, if found on the property, would subject Licensor to any damages, penalty or liability under any applicable local, state or federal law or regulation. Licensee shall indemnify and hold harmless Licensor with respect to any and all damages, costs, attorneys' fees, and penalties arising from the presence of such substances on the Premises, except for such substances as may be placed on the Premises by Licensor.

K. Upon completion of construction activities, Licensee will mulch and seed the Premises disturbed by Licensee's activities in a manner consistent with and approved by Licensor. If required at the discretion of Licensor, vegetation will be monitored for a two (2) year period to insure successful establishment. All costs associated with the seeding, fertilizing, monitoring and re-establishment shall be the responsibility of Licensee.

3. OWNERSHIP OF IMPROVEMENTS

The Licensee agrees and covenants that any improvements and/or structures that the Licensor permits to be installed by said Licensee or its agents on the Premises shall NOT belong to the Licensor upon the termination (or expiration) of this Permit/License. Said improvements shall be owned by and be the sole responsibility of the Licensee and/or Licensee's successors and assigns.

**EXHIBIT C
SPECIAL CONDITIONS.**

1. INSPECTIONS AND APPROVALS

- A. Upon termination of the Permit/License, the Licensee agrees to meet with Licensor's point of contact at the Premises to allow inspection of the property and ensure that all conditions of the Permit/Licensee have been fulfilled. Licensor can be contacted at Real Property Services at (253) 396-3060.
- B. The Licensee shall allow access to Licensor, its officers, employees and agents to enter the Licensee's property adjacent to the Premises for inspection and assessment of the Premises and that of the Licensor's use and operation of the Premises.
- C. Licensor's review, approval, or consent to any proposals, drawings, and/or plans shall not be deemed to be consent, authorization, acknowledgment, certification, warranty, or representation that Licensee has obtained all required authorizations or that said proposals, drawings, or plans are in any way sufficient or appropriate for the intended purpose, or that said proposals, drawings, or plans comply with regulatory, design, or engineering standards.
- D. Any inspections performed by Licensor, or Licensor's failure to conduct an inspection, shall not operate to or in any manner impose any legal duty or liability on Licensor or relieve Licensee of any responsibility, obligation, duty or liability under this License or imposed by any applicable law, rule or regulation.

2. ENVIRONMENTAL

- A. Licensee shall not adversely impact any wetlands on the Premises. All wetland inspection and mitigation shall be satisfied before construction can begin.
- B. Runoff from Licensee's Permitted Use shall not be directed onto Licensor's property. Licensee shall prevent pooling of water on the Premises and adjacent Licensor's lands, creation of wetlands in previously dry areas, and any and all actions which could impact the water quality of existing wetlands.
- C. Licensee shall not use herbicides on the Premises, and shall prevent use on adjoining lands, which could contaminate or injure Licensor's land or facilities.
- D. No blasting shall be done on the Premises.
- E. Licensor may revoke this Permit/License if, in its sole opinion, cultural resources may be threatened.

3. TIMBER REMOVAL AND/OR HAULING

- A. The Licensee agrees not to cut or remove any standing timber located on the permitted Premises unless the removal has first been approved in writing by Licensor.
- B. Licensor owns the timber within the Premises and is entitled to the proceeds of any trees harvested within said Premises as required to facilitate Licensee's allowed use of the Premises.
- C. At least (4) weeks prior to any planned timber removal within the Premises, Licensee shall provide to Licensor the expected timber harvest volume and value for review and approval by Licensor.

D. Licensee further agrees that all trees harvested within the Premises cannot be exported.

4. RISK ASSESSMENT

A Phase 1 Environmental Risk Assessment, identifying potential exposures and hazards, may be required at the commencement of the Permit/License period and upon termination of said Permit/License period.

Licensee agrees to pay ONE HUNDRED DOLLARS (\$100.00), as hereafter may be amended, for each such assessment.

5. INSURANCE

A. During the term of this Permit/License, Licensee and its contractors, shall obtain and maintain at its sole expense the following liability insurance coverage:

- i. A policy of Commercial General Liability insurance coverage, providing coverage for claims of bodily injury, death, personal injury, and property damage arising from operations on the Licensors property. Coverage shall include, but not be limited to: products hazard and completed operations coverage, contractual liability coverage, and employer stop gap coverage. The policy shall name the Licensor as an additional insured.
- ii. The Licensee and its contractor(s) shall obtain and have in place prior to entering upon the Licensor's property, a policy of Commercial Automobile Liability coverage, with the Licensor named as an additional insured.

B. For all insurance policies required by this section:

- i. Coverage shall be written on a policy form published by the Insurance Service Office (ISO) or its functional equivalent. The Licensor reserves the right to determine if a proposed policy is in fact a functional equivalent and its decision shall be conclusive on the issue.
- ii. Coverage shall be underwritten by insurance carriers licensed to do business in the State of Washington and of adequate financial strength (an A.M. Best Company rating of no less than A-V) subject to review and approval by the Licensor.
- iii. Coverage shall be primary over and non-contributing to the Licensor's own insurance coverage or program.
- iv. No coverage required by this section shall be subject to a deductible or self-insured retained limit in excess of \$10,000 without the Licensor's prior written approval. To assure that the Licensor receives the full benefit of coverage, the Licensee shall pay any deductible or self-insured retained limit on behalf of the Licensor, notwithstanding any negligence or liability on the part of the Licensor.
- v. All coverage required by this section shall be written on a per "occurrence" basis and not on a "claims-made" policy form.
- vi. All policies required by this section shall provide policy limits of no less than \$1,000,000 combined single limit of liability per occurrence with a general aggregate limit of \$2,000,000. The aggregate limit shall be dedicated or limited to the location or work reflected by the contract, permit or right of entry or industry track agreement by policy endorsement.
- vii. The Licensee and the Licensor shall mutually and reciprocally waive claims of subrogation against each other for claims of damage to their property or injury to their employees, and shall obligate their insurance carriers to do the same. This provision is not intended to waive contractual indemnification obligations or claims under any additional insured policy provision.

C. Subcontractors. If any portion of Licensee's operation or work permitted by the Licensor is to be contracted by Licensee, Licensee must require that the contractor provide and maintain insurance and coverages set forth herein and require that its contractor release, defend, hold harmless, and indemnify the Licensor to the same extent and under the same terms and conditions as Licensee.

D. Certificate of Insurance. Certificates of Insurance, reflecting evidence of the required insurance and coverage as described in A. above, shall be sent to the following address prior to the use of any rights provided by the Permit/License:

Tacoma Public Utilities
Real Property Services
3628 South 35th Street
Tacoma, WA 98409

The certificate shall be filed with the acceptance of the Permit/License and annually thereafter. All coverage shall be listed on one certificate with the same expiration dates.

In the event that the insurance certificate provided indicates that the insurance shall terminate or lapse during the period of the Permit/License, then, in that event, the Licensee shall furnish, at least 30 days prior to the expiration of the date of such insurance, a renewed certificate of insurance as proof that equal and like coverage has been or will be obtained prior to any such lapse or termination.

Failure to obtain or provide adequate evidence of the required insurance and coverage will entitle, but not require, the Licensor to terminate this Permit/License.

E. Modification / Adjustment of Insurance Requirements. The Licensor reserves the right to modify the insurance requirements of this Permit/License, require any other insurance coverage, or adjust the policy limits as it deems reasonably necessary to reflect then-current risk management practices. Licensee shall have thirty (30) days from receipt of written notice of the change, modification, or adjustment to provide the Licensor with a Certificate of Insurance evidencing that Licensee has obtained the required insurance as described in the notice.

F. Self-Insurance Provision.

An entity that is wholly or partially self-insured may, with the approval of the City of Tacoma, provide evidence of such self-insurance funding and, by letter, commit its self-insurance program to the minimum amounts required herein. By executing this License, Licensee agrees that it will pay any deductible or self-insured portions of the insurance or self-insurance provided.

6. TRANSMISSION LINE SAFETY

A. Clearances. Licensee shall use good and reasonable judgment with regard to type and height of vehicles allowed to access the Premises, and in allowing any use of tools or activities which could endanger Licensee's employees, licensees, agents, patrons, invitees, or any other person(s). Licensee expressly acknowledges the high voltage transmission lines over the licensed Premises and the extreme danger and hazard to life and property associated with such high voltage power lines.

B. Work under Power Lines. Licensee, for itself and on behalf of its agents and contractors and personnel, agrees to adhere to all applicable safety codes and laws, including but not limited to, National Electric Safety Code, Washington Administrative Codes, WAC 296-24-960, "Working on or Near Energized Parts" and WAC 296-155-53408, "Power Line Safety", and Tacoma's standards.

C. Grading, Digging. No filling and/or grading within said Premises shall be accomplished in such manner as to reduce vertical distance between the ground surface and Licensor's wires or jeopardize the lateral support of any of Licensor's poles or anchors. Licensee shall not excavate deeper than twenty-four inches (24") within twenty-five feet (25') of poles or anchors, nor shall Licensee excavate more than six inches (6") within four feet (4') of existing poles or anchors, with a transition to other grades not to exceed 6:1 to allow for vehicular travel, without obtaining Licensor's prior written approval. No excavation on the Premises is allowed which impedes Licensor's access to its facilities. Licensee shall fill any ditches or holes it digs on the licensed Premises each day before sunset. Prior to commencing any such approved digging, Licensee agrees to comply with RCW Chapter 19.122.

D. Electromagnetic Fields. Electric devices, including power lines, emit electromagnetic fields (EMF). Some studies have shown that EMF may affect human and/or animal biological systems. Although a National Academy of Sciences Committee has concluded that the findings to-date do not support claims that EMF fields are harmful to a person's health, the Licensee is hereby notified that potential causal connections between EMF and human diseases may exist. Licensor does not warrant that use of this Licensor's real property (the Premises) is without risk of exposure to EMF. In spite of this concern, the Licensee has decided to enter into this Permit/License with Licensor and expressly assumes all risk of harm as set forth herein.

E. Static Electrical Charge. Metallic structures (fences, metal buildings, etc.) installed near high voltage power lines may, under some conditions, become energized with a "static" electrical charge. Licensee shall take necessary measures to eliminate the possibility of static electrical shock to persons coming in contact with such structures.



RESOLUTION NO. U-10958

1 A RESOLUTION relating to Tacoma Power; authorizing the execution of an
2 agreement with the City of Fife to underground Tacoma Power aerial
3 facilities on 34th Avenue East, between Pacific Highway 99 and 12th
4 Street East.

5 WHEREAS Tacoma Public Utilities, Light Division (d.b.a. "Tacoma
6 Power"), requests authorization to execute an agreement with the City of Fife
7 ("Fife") for the construction and cost allocation of the conversion of existing
8 aerial facilities to underground, to be completed in conjunction with Fife's
9 Pacific Highway 99 road improvement project ("improvement project") on 34th
10 Avenue East, between Pacific Highway 99 and 12th Street East, in Fife,
11 Washington ("Agreement"), and

12 WHEREAS, in 2003, Tacoma Power entered into a 20-year Franchise
13 Agreement with Fife that allows Tacoma Power to use Fife's streets and other
14 public properties for the placement of its facilities. In exchange, Tacoma
15 Power must, among other conditions, under Section 5.c.(2), pay 50% of the
16 costs of converting its existing overhead facilities to underground in the event
17 the City of Fife desires to improve its streets and the project affects or requires
18 relocation of more than 50% of Tacoma Power's aerial facilities in the project
19 area, and
20

21 WHEREAS Fife's improvement project will impact more than 50% of
22 Tacoma Power's aerial facilities in the project area and so the project meets
23 the requirements under Section 5.c, and Tacoma Power will be required to pay
24 50%, or \$345,700, of the estimated project costs of \$691,400, and
25
26




1 WHEREAS Tacoma Municipal Code section 1.06.268 C requires the
2 Public Utility Board to approve all contracts with a total gross value in excess
3 of \$200,000, and

4 WHEREAS Tacoma Power believes the approval of the Agreement is in
5 the best interest of its customers and the citizens of Tacoma; Now, therefore,
6 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

7 That Tacoma Power is hereby authorized to execute an agreement with
8 the City of Fife to underground Tacoma Power aerial facilities on 34th Avenue
9 East, between Pacific Highway 99 and 12th Street East, in the estimated
10 amount of \$691,400, of which the City of Tacoma's share is \$345,700, and the
11 appropriate officers of the City are authorized to approve such agreement in a
12 form as approved by the City Attorney.
13

14 Approved as to form and legality:

Chair _____

15 
16 _____
Chief Assistant City Attorney

Secretary _____

17 _____
18 Clerk

Adopted _____

of September 13, 2017

REQUEST FOR RESOLUTION

Date: August 21, 2017

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Authorize an agreement with the City of Fife to underground Tacoma Power aerial facilities on 34th Avenue East, between Highway 99 and 12th Street East.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

Tacoma Power recommends the Public Utility Board authorize the execution of an agreement between the Cities of Tacoma and Fife for the construction and cost allocation for the conversion of existing aerial facilities to underground to be completed in conjunction with a road improvement project. The total estimated cost of the conversion is \$691,400. The City of Tacoma's share is one half, or \$345,700.

3. Summarized reason for resolution:

Section 5 of the Franchise Agreement granted by the City of Fife to the City of Tacoma, Department of Public Utilities, Light Division, allows the City of Fife to require converting the existing aerial facilities to underground in conjunction with Public Works improvement project if 50% or more of the aerial facilities are impacted by the improvement. This project meets that criteria; furthermore, it specifies a 50/50 cost share between the entities.

4. Attachments:

- a. Letter of Agreement dated May 30, 2017
- b. City of Fife Ordinance No. 1497-03
- c. Memo from Chris Robinson to Bill Gaines dated August 7, 2017

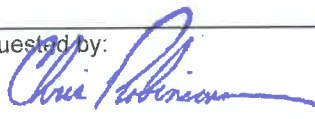
5. ☒ Funds available ☐ Proposed action has no budgetary impact

6. Deviations requiring special waivers:

Originated by:


Section Head

Requested by:


Division Head

Approved:


Director of Utilities



DATE: August 21, 2017

TO: William A. Gaines, Director of Utilities/ CEO

FROM: Chris Robinson, Power Superintendent/COO *DJS for CR*

SUBJECT: Cost Share Agreement with the City of Fife to Underground Tacoma Power Overhead facilities on 34th Avenue East, between Highway 99 and 12th Street East

RECOMMENDATION

Tacoma Power recommends the Public Utility Board authorize the execution of an agreement between the Cities of Tacoma and Fife for the construction and cost allocation for the conversion of existing aerial facilities to underground to be completed in conjunction with a road improvement project. The total estimated cost of the conversion is \$691,400. The City of Tacoma's share is one half, or \$345,700.

BACKGROUND

The City of Fife has initiated a project to make road improvements along 34th Avenue East, between Highway 99 and 12th Street East. Tacoma Power has overhead facilities in a portion of the project area that require relocation to accommodate the improvements. Instead of relocating the overhead facilities, Fife has requested the City of Tacoma convert the overhead power system to underground per the criteria put forth in the franchise agreement.

Section 5 of the Franchise Agreement granted by the City of Fife to the City of Tacoma, Department of Public Utilities, allows the City of Fife to require converting the existing aerial facilities to underground in conjunction with a Public Works improvement project if 50% or more of the aerial facilities are impacted by the improvement. This project meets that criteria and specifies a 50/50 cost share between the entities.

APPROVED:

William A. Gaines
Director of Utilities/CEO



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

LETTER OF AGREEMENT

May 30, 2017

City of Fife
Mr. Subir Mukerjee
City Manager, City of Fife
3725 Pacific Hwy E
Fife, WA 98424-1135

Dear Mr. Mukerjee:

Subject: 34th Avenue East between Highway 99 and 12th Street East

This Letter of Agreement will memorialize the understanding of Tacoma Power, a division of Tacoma Public Utilities, a department of the Cities of Tacoma (hereinafter referred to as "Tacoma") and the City of Fife (hereinafter referred to as "Fife") as to the scope of work and payment provisions for the project involving the underground conversion of Tacoma's facilities in conjunction with Fife's road improvements on 34th Avenue East, from Highway 99 north to 12th Street East, along Highway 99 from 34th Ave E to a point approximately 400 feet east. Overall, there will be approximately 2500 feet of underground conversion (hereinafter referred to as the "Project").

It is the understanding of Tacoma and Fife that the overhead distribution system along 34th Ave East as described above can be converted to an underground electrical system for an estimated cost of \$691,400. The cost estimate includes the civil (conduit and vaults) and electrical (cables and equipment) systems, along with removal of the existing poles and overhead conductors, all of which will remain the property of Tacoma. This estimate does not include any cost associated with Street Light/Traffic Signal circuits and/or any electrical service additions or deletions that are a part of the Project. These items of work are not within Tacoma's scope of work provided by this Letter Agreement.

It is agreed and understood that Tacoma will utilize Tacoma Power forces to complete the items of work listed below to complete Tacoma's scope of work. It is agreed and understood that Fife will be responsible for construction bidding and contracting functions observing public works competitive bidding and prevailing wage laws in performing the items of work Fife has agreed to complete as described below.

FIFE'S CONSTRUCTION RESPONSIBILITY (CIVIL PORTION)

Fife shall:

Provide and install the entire civil system including but not limited to the trench and backfill work, the placement of conduit and vaults, according to the plans and specifications (provided by Tacoma) to be included by Fife in the bid documents. Fife will also be responsible for conversion of all secondary services and all restoration.

Fife will be responsible for making all payments to their contractor(s). All work to be performed on Tacoma's facilities by Fife's contractor(s) must first be approved by a Tacoma Power Construction Inspector.

It is agreed and understood that all of Tacoma's customers within the project area must accept underground electrical service following completion of the project unless Fife allows existing customers to continue to receive overhead service through the use of service poles.

If Fife does not allow overhead service to a customer, then Fife is responsible for assuring that the customer(s) takes all the necessary steps required in order to receive new underground service. This includes, but is not limited to, trenching, conduit, and cable for the converted service.

All service conversions on private property will be the sole responsibility of the customer and Fife. No costs for service entrance changes or underground service conduit, cable, or service reconnection, will be the liability of Tacoma. An electrical permit and inspection by Tacoma is required for each service that is converted. Tacoma shall have no obligation to accelerate the permitting process.

Fife and/or its' contractor(s) shall coordinate all activities and schedules associated with the project.

TACOMA'S CONSTRUCTION RESPONSIBILITY (ELECTRICAL PORTION)

Tacoma shall:

Provide and install all necessary primary cable, terminations, pad mounted transformers and switchgear.

Frame all terminal poles and complete the terminal pole risers.

Provide and install all secondary cables from the transformer to the secondary service box and associated terminations. Remove all its wholly owned poles in the project area following installation of the underground system, conversion of all customer electric services to

Underground, and removal of all other utilities attached to poles. This excludes poles for electrical facilities greater than 15,000 volts. Fife shall coordinate removal of poles owned by other entities.

Provide a copy of its construction plan to each of the utilities currently attached to the poles to be removed as a result of the project. Tacoma will work cooperatively with the other utilities in converting overhead systems to underground; however, it will be Fife's responsibility to obtain commitments from the other utilities, and to assure that those utilities will work cooperatively with Tacoma. Tacoma shall not be liable for delay or any impacts associated with the failure of other utilities and/or telecommunication entities to timely remove or relocate their facilities from poles or elsewhere, in advance of the above referenced project, or any other unforeseen circumstance over which Tacoma has limited or no control.

OTHER

Based upon information provided by Fife, Tacoma estimates its total construction time for its scope of work to be 45 working days commencing with and following the completion of the civil system. Working days are Monday through Friday, excluding holidays, and may not be consecutive. Work time each work day is 8:00 a.m. to 4:30 p.m. Fife, not Tacoma will assure that work days and work times are coordinated with the other utilities and the electrical contractor converting secondary services.

Fife shall be responsible for coordinating Tacoma Power's estimated 45 working day schedule with other utilities and contractors to avoid scheduling conflicts, job site congestion, and delays with Tacoma Power's work.

Tacoma Power will provide a construction drawing, a set of construction standards, and technical specifications to be included in Fife's Request for Bid package, for use with Tacoma's scope of work only.

PAYMENT

Under the terms of Section 5 (attached for reference) of the franchise agreement, if Fife desires to underground aerial utilities and more than 50% of the aerial facilities are impacted by a Public Improvement Project, Fife will pay 50% of the actual cost of converting the existing overhead facilities to underground. Those costs set forth in Sections 5(c) 3, and 5(c) 4, of the franchise shall not be used in calculating the total project cost. Since this is a cooperative effort between the two parties, with no intended profits or windfalls, the final billing and costs to be paid by Fife and Tacoma shall be 50% of all actual costs incurred to complete those items within its scope of work for the project including the removal of overhead facilities.

Costs incurred that are solely associated with Click! Network infrastructure, are subject to a separate Cable TV Franchise Agreement and will not be included in the cost share described in the above paragraph. Fife's cost to convert Click! Network only facilities from Overhead to Underground will be tracked and funded separately by Tacoma.

Payment arrangements will be by mutual agreement between Fife and Tacoma. Tacoma's historical experience with this type of project indicates the cost ratio for the civil and electrical portions are approximately 1/3 and 2/3, respectively. With this in mind, both parties agree to provide monthly cost updates although invoicing and payments will not occur until Project completion or within two (2) months after Tacoma's work is complete, whichever occurs first.

Monthly invoicing shall occur thereafter unless both parties agree to alternate arrangements in writing. Fife agrees it will remit payment to Tacoma within thirty (30) days following receipt of Tacoma's invoice for any balance due. In the event Fife fails to pay any amount to Tacoma when due hereunder, Fife shall pay interest on such unpaid sum from thirty (30) calendar days after the date due at the rate of 1% per month with a three dollar (\$3.00) minimum interest payment.

In the event Fife incurs costs associated with the completion of work at the direction of Tacoma for the benefit of Tacoma, Tacoma agrees to remit payment to Fife within thirty (30) days following receipt of Fife's invoice for any balance due. In the event Tacoma fails to pay any amount to Fife when due hereunder, Tacoma shall pay interest on such unpaid sum from thirty (30) calendar days after the date due at the rate of 1% per month with a three dollar (\$3.00) minimum interest payment.

Disputes of billing amounts will be brought to the attention of both parties within 15 days of receipt the invoice.

INDEMNIFICATION / INSURANCE

It is agreed and understood that Tacoma and Fife mutually and reciprocally agree to indemnify and hold each other harmless from any and all claims of bodily injury or property damage arising from their respective acts of negligence in the performance of the work contemplated by this Agreement, pursuant to RCW 4.24.115; that they waive immunity under title 51 RCW, and agree that this provision has been mutually negotiated. It is further agreed and understood that Fife shall require the contractor awarded the contract for the project contemplated by this Agreement to have in place during the performance of all work required by this Agreement, a policy of Commercial General Liability (CGL) coverage providing coverage for claims of bodily injury and property damage arising from its work contemplated by this Agreement, with policy limits of no less than \$1,000,000 combined single limit of liability per occurrence, \$2,000,000 general aggregate, with the City of Tacoma named as an additional insured. Said policy CGL policy shall have a self-insured retained limit of no more than \$10,000. The CGL policy shall be written on an occurrence policy form not a "claims made" form, and endorsed providing primary coverage for Tacoma, and non-contributing to Tacoma's insurance program.

PROPERTY RIGHTS

The current preliminary road design does not reflect that there currently exists adequate right-of-way to accommodate the required utility structures; therefore, the issues pertaining to

T&D - City of Fife
Margie Villanueva
May 30, 2017

the acquisition of property rights must be addressed in advance of any final design and construction.

Tacoma will identify and Fife shall pay any and all cost for the acquisition of easements and any other property rights necessary to install vaults, switchgear, transformers and associated electrical and data facilities for the Project; and Fife shall pursue those actions necessary to secure any necessary property rights, for the installation of facilities by Tacoma for the Project.

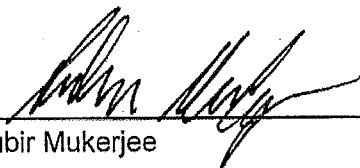
All questions and correspondence regarding Tacoma's scope of work shall be directed to:

Margie Villanueva,
T&D Line Engineering,
205-502-8371
PO BOX 11007, Tacoma, WA 98411

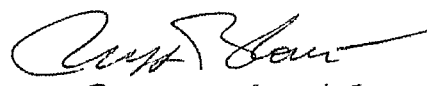
This Letter of Agreement is pursuant to and incorporates by reference the Franchise authorized by City of Fife Ordinance No. 1497-03 granted to Tacoma by Fife on September 23, 2003, and is intended to realize its objectives. In the event of any material inconsistencies between the Franchise and this Agreement, this Agreement shall control only with respect to this project.

AGREED:

Chris Robinson
Power Superintendent/COO
Tacoma Power
Date


Subir Mukerjee
City Manager
City of Fife
6/9/17
Date

William A. Gaines
Director of Utilities/CEO
Tacoma Public Utilities
Date

Recommended

Russ Blount
Public Works Director
City of Fife
6/8/17

Approved as to form: 
Legal Deputy City Attorney Date 8/4/17

Finance: _____
Date

ORDINANCE NO. 1497-03

AN ORDINANCE OF THE CITY OF FIFE, WASHINGTON, GRANTING UNTO THE CITY OF TACOMA DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION, A MUNICIPAL CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND NONEXCLUSIVE FRANCHISE FOR TWENTY YEARS, TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR AN ELECTRICAL LIGHT AND POWER SYSTEM, IN, ACROSS, OVER, ALONG, UNDER, THROUGH AND BELOW CERTAIN DESIGNATED PUBLIC RIGHTS-OF-WAY OF THE CITY OF FIFE, WASHINGTON.

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ORDINANCE NO. 1497-03

WHEREAS, the City of Tacoma Department of Public Utilities, Light Division has requested that the City Council of Fife grant it a nonexclusive franchise; and

WHEREAS, the City Council of Fife has the authority to grant franchises for the use of its streets and other public properties (RCW 35A.47.040); NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF FIFE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Franchise Granted. Pursuant to RCW 35A.47.040, the City of Fife, a Washington municipal corporation (hereinafter the "City"), hereby grants to City of Tacoma, Department of Public Utilities, Light Division, a municipal corporation organized under the laws of the State of Washington (hereinafter "Grantee"), its successors, legal representatives and assigns, subject to the terms and conditions hereinafter set forth, a franchise for a period of twenty (20) years, beginning on the effective date of this ordinance.

This franchise grants the Grantee the right, privilege and authority to construct, operate, maintain, replace, and use all necessary equipment and facilities including telecommunication infrastructure, for an electric utility system, in, under, on, across, over, through, along or below the public right-of-ways and public places located in the City of Fife, as already in existence or as may be approved under City permits issued pursuant to this franchise.

For the purposes of the franchise the following words and phrases shall have the following meaning:

"changeover date" means the date that Grantee's initial electric rate ordinance amendment, applying specific franchise rates on Grantee's customers within the City of Fife, becomes

effective. Said ordinance amendment shall also eliminate Grantee's rate Schedule M (City of Fife utility tax). Effective this date, the City shall no longer levy a utility tax on Grantee.

"electric utility system" means all plant, facilities, equipment, wires, conduit, meters, telecommunication infrastructure, generation equipment, and transmission and distribution poles as may be necessary to provide electric utility service for customers. It does not include cable television business activities.

"electric utility service" means all actions directly related to providing electric power and energy to retail end-use customers. It does not include provision of cable television service.

"Gross Earnings Tax" means the tax(es) imposed on Department of Public Utilities, Light Division, by the City of Tacoma based upon or calculated using the gross earnings of the Grantee.

"gross revenue" means money or funds received by Grantee by reason of transaction of retail electric utility service business including sales of electric power and energy to customers within the City. Gross revenue does not include: (a) uncollected amounts; (b) amounts received from condemnation award or condemnation settlement; (c) amounts received as compensation or reimbursement of damages to or protection of any property of Grantee; (d) amounts received as compensation for or in aid to construction; (e) discounts, returns, allowances and repossessions; (f) amounts received from energy consumption, maintenance and operation for street lights to the City; (g) amounts received from Grantee's rental lights, and (h) repayments for conservation initiatives.

Section 2. Non-exclusive Franchise Grant. This franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any of said right-of-ways, streets, avenues or all other public lands and properties of every type and description. Such franchise shall in no way prevent or prohibit the City from using any of said roads, streets or other public properties or affect

its jurisdiction over them or any part of them, and the City shall retain power to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication of same as the City may deem fit, including the dedication, establishment, maintenance, and improvement of all new rights-of-ways, thoroughfares and other public properties of every type and description. It is provided, however, City agrees not to compete with Grantee as an electric utility system or provider of electric service at retail in the current service area of the Grantee during the period of this franchise.

Section 3. Relocation of Electrical Facilities. The Grantee agrees and covenants at its sole cost and expense, to protect, support, temporarily disconnect, relocate or remove from any street, any component of its electric utility distribution system when so required by the City by reason of traffic conditions or public safety, widening, relocating or improvement of existing rights-of-way, streets or avenues, or change or establishment of street grade, provided that the Grantee shall in all such cases have the privilege to temporarily bypass, in the authorized portion of the same street upon approval by the City, any section of electrical line or facility required to be temporarily disconnected or removed. The provisions of this section shall not be applicable if the relocation is due to a private development, use or activity. Provided further that when street widening or improvement is desired by the City, that the City will acquire sufficient right-of-way to accommodate all utilities including Grantee's distribution system.

If the City determines that a project (other than a project due to a private development, use or activity) necessitates the relocation of the Grantee's then existing facilities, the City shall:

- At least one hundred and eighty (180) days prior to commencement of construction of such project, provide the Grantee with plans and written notice requiring such relocation, unless another time period for the notice is agreed to by the parties for a particular project.

- Provide the Grantee with copies of pertinent portions of the plans and specifications for such project and a proposed location for the Grantee's facilities so that the Grantee may relocate its facilities in other City right-of-way in order to accommodate such project.

After receipt of such notice and such plans and specifications, the Grantee shall complete relocation of its facilities at no charge or expense to the City (except as hereinafter provided) so as to accommodate the project construction schedule.

The Grantee may, after receipt of written notice requesting a relocation of its facilities, submit to the City written alternatives to such relocation. The City shall evaluate such alternatives and advise the Grantee in writing if one or more of the alternatives are suitable to accommodate the work, that would otherwise necessitate relocation of the Grantee's facilities. If so requested by the City, the Grantee shall submit additional information to assist the City in making such an evaluation. The City shall give each alternative proposed by the Grantee full and fair consideration. In the event the City ultimately determines in its sole discretion that there is no other reasonable alternative, the Grantee shall relocate its facilities as otherwise provided in this Section. Provided, however, the parties agree to exercise good faith, reasonable and timely decision making especially when issues arise in the field pertaining to relocations. The provisions of this Section shall survive the expiration or termination of this franchise.

The provisions of this Section shall in no manner preclude or restrict the Grantee from making any arrangements it may deem appropriate when responding to a request for relocation of its facilities by any person or entity other than the City, where the facilities to be constructed by said person or entity are due to a private development, use or activity; provided that such arrangements do not unduly delay a City construction project.

The City on occasion will be constructing, reconstructing and/or relocating roads, streets,

public ways, areas or facilities within the right-of-way or property which will require Grantee to install and/or relocate part of its electric utility system. Grantee will be relying on the alignment, lines and grades as set forth in City's approval plans wherein Grantee thereafter constructs or reconstructs its electric utility system in accordance with City's requirements and City standards. Therefore, if City thereafter again adjusts and/or revises the alignment, line or grade for a road, street, public way or area, before this part of the Grantee's electric utility system has been in place for fifteen (15) years (commencing with the initial City revision), then City agrees to reimburse Grantee a pro rata share of the total relocation costs based on fifteen (15) year life expectancy for the portion of Grantee's electric utility system that is affected by the City revision unless differently agreed to in writing by City and Grantee at the time of the installation or relocation. This Section is not applicable to a conversion when the existing electric utility system is overhead and it is desired to convert to underground, as such conversions are covered by Section 5 herein, or by other arrangements as mutually agreed.

Section 4. Consideration for Franchise. (a) The consideration for this franchise includes, but is not limited to, the mutual and individual benefits of this franchise that allow each of the parties the ability to make long term planning decisions in light of the provisions set forth herein, the waiver of permit fees, as provided in Section 11 of this franchise, the non-competition provisions as provided in Section 18 of this franchise, and any fees that may be charged pursuant to RCW 35.21.860(b).

(b) If the City grants to any other retail electric or energy provider a franchise or allows any other retail electric or energy provider to operate under terms that are over-all more favorable than those set forth herein, Grantee shall have the right to initiate negotiations with the City to modify the provisions of this franchise that Grantee believes are over-all less favorable to it than those authorized or allowed to said providers.

(c) If there is a substantial change in the law or circumstances beyond the control of either party hereto that substantially adversely affects said party, including without limitation a change in state or federal law that would allow the City the opportunity to tax and assess additional revenue from the Grantee for the Grantee's operations under this franchise, then said party may initiate negotiations of the provisions of this franchise to address the terms affected by the change in the law or circumstances, and the parties agree to negotiate in good faith to address said concerns and to accomplish the original intent of both parties.

Any modification to the provisions of this franchise pursuant to this Section 4 shall be by mutual agreement of the parties.

Section 5. Undergrounding of Facilities. (a) In any area of the City in which there are no aerial facilities, or in any area in which telephone, electric power wires and cables have been placed underground, the Grantee shall not be permitted to erect poles or to run or suspend wires, cables or other facilities thereon, but shall lay such wires, cables or other facilities underground in the manner required by the City. Provided that, except for high voltage lines, the electric service and distribution lines in areas that are to be served by the Grantee and that were not previously served by the Grantee shall be undergrounded.

(b) Whenever the City may desire the undergrounding of the aerial utilities in an area of the City, the Grantee agrees to cooperate with the City in its efforts to obtain funding therefore, including any City proposal to create a Local Improvement District (L.I.D.) to provide such funding, as follows:

(1) Seventy percent (70%) of the total actual cost of converting the Grantee's existing overhead primary electrical distribution system (i.e. 15 KV and less) and data lines to underground shall be provided by the City, including without limitation funds from assessments against the property owners within the L.I.D. Assessments will be in

accordance with applicable law;

(2) Thirty percent (30%) of the total actual cost of converting the Grantee's existing overhead primary electrical distribution system and data lines to underground shall be provided for by the Grantee;

(3) Any project charges for the undergrounding of items other than the electrical distribution system covered under this franchise, such as secondary electrical services, telephone, fire alarm, cable TV, and street lighting circuits, will not be included when determining the amount to be paid by the Grantee;

(4) Conversion of the secondary electrical service on private property is not to be included in the computation of the allocation of payments to be made by the Grantee. The customer must supply and install the secondary conductor, power conduit and Grantee's data conduit from the meter to the secondary electrical service box located near the property line;

(c) Whenever the City may desire the undergrounding of the aerial utilities in an area of the City in conjunction with a City Public Works Improvement Project (street widening, sewer installation, curb and sidewalk installation, street lighting, traffic signal, etc.) and more than 50% of these aerial facilities are affected by or must be relocated as a result of such Public Improvement Project, the Grantee agrees to cooperate with the City's proposal to underground the aerial facilities as follows:

(1) Fifty percent (50%) of the total actual cost of converting the Grantee's existing overhead primary electrical distribution system and data lines to underground shall be provided by the City. (Total actual cost shall include trenching, vaults, conduit, cable, data conduit and cable, switch gears, transformers, restoration, etc.)

(2) Fifty percent (50%) of the total actual cost of converting the Grantee's existing

overhead primary electrical distribution system and data lines to underground shall be provided by the Grantee. (Total actual cost shall include trenching, vaults, conduit, cable, data conduit and cable, switch gears, transformers, restoration, etc.)

(3) Any project charges for the undergrounding of items other than the electrical distribution system covered under this franchise, such as secondary electrical services, telephone, fire alarm, cable TV, and street lighting circuits, will not be included when determining the amount to be paid by the Grantee;

(4) Conversion of the secondary electrical service on private property is not to be included in the computation of the allocation of payments to be made by the Grantee. The customer must supply and install the secondary conductor, power conduit and Grantee's data conduit from the meter to the secondary electrical service box located near the property line.

In the event sufficient right-of-way is not available to allow relocation of the Grantee's existing aerial system due to the requirements of a City Public Works Project and undergrounding is therefore required, then all of the above provisions (Subsection (c)(1) - (4)) shall apply.

(d) Grantee may elect to install conduit for data use in trenches where existing overhead data lines are not present for no additional share of trenching costs. The City may elect to have Grantee install conduit in Grantee's trenches for the City's use, provided the City agrees to reimburse Grantee for the incremental cost difference. The incremental cost shall be the actual cost of the conduit plus the labor to install it, without profit markup.

Notwithstanding anything to the contrary in this Section, this Section 5 shall not apply where wetlands or other obstructions make undergrounding impractical, or to electric lines of greater than 15 kV.

Section 6. Transmission Facilities.

Wherever existing transmission line poles are subject to relocation as necessary for a City Public Works Improvement Project (street widening, sewer installation, curb and sidewalk installation, street lighting, traffic signal, etc.), the Grantee agrees to cooperate with the City's proposal to have Grantee install alternate structures (typically tubular steel poles) rather than Grantees standard wood poles, provided the City agrees to reimburse Grantee for the incremental cost difference. The incremental cost shall be the difference between the estimated cost of wood pole construction and alternate structure construction, without profit markup.

Section 7. The Grantee's Maps, Records and Plans. After construction of any electrical work is complete, and at a reasonable time thereafter, upon the City's request, the Grantee shall provide to the City at no cost, a copy of all as-built plans and maps.

Section 8. Excavations. (a) During any period of relocation, construction or maintenance, all surface structures, if any, shall be erected and used in such places and positions within said public right-of-ways and other public properties so as to interfere as little as practicable with the free passage of traffic and the free use of adjoining property, and the Grantee shall at all times post and maintain proper barricades and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or the laws of the State of Washington.

(b) Whenever the Grantee shall excavate in any public right-of-way or other public property for the purpose of installation, construction, repair, maintenance or relocation of its cable or equipment, it shall apply to the City for a permit to do so and upon obtaining a permit shall give the City at least twenty-four (24) hours written notice during the normal work week of the Grantee's intent to commence such work. In no case shall any work commence within any public right-of-way or other public property without a permit, except as otherwise provided in this franchise ordinance. During the progress of the work, the Grantee shall not unnecessarily obstruct

the passage or proper use of the right-of-way or other public property, and shall file as-built plans or maps with the City showing the proposed and final location of its facilities.

(c) If either the City or the Grantee at any time plans to make excavations in any area covered by this franchise and as described in this Section, the party planning such excavation shall afford the other, upon receipt of a written request to do so, the first opportunity to use such excavation at no additional cost, provided that:

(1) Such joint use shall not unreasonably delay the work of the party causing the excavation to be made;

(2) Such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties;

(3) Either party may deny such request for safety reasons; and

(4) If either party increases the size of the original excavation, said party shall be responsible for the extra cost associated with the additional excavation.

The provisions of this Section shall survive the expiration, revocation or termination by other means of this franchise.

Section 9. Restoration after Construction. The Grantee shall, after abandonment approved under Section 15 herein, or installation, construction, relocation, maintenance, or repair of electrical facilities within the franchise area, restore the surface of the street, right-of-way or public property to at least the same condition the property was in immediately prior to any such installation, construction, relocation, maintenance or repair, unless other arrangements are mutually agreed to by both parties for a particular project. The Public Works Director shall have final approval of the condition of such streets, rights-of-way and public places after restoration. All concrete encased monuments that have been disturbed or displaced by such work shall be restored pursuant to all federal, state and local standards and specifications. The Grantee agrees to

promptly complete all restoration work and to promptly repair any damage caused by such work to the franchise area or other affected area at its sole cost and expense. The provisions of this Section shall survive the expiration, revocation or termination by other means of this franchise.

Section 10. Emergency Work -- Permit Waiver. In the event of an emergency in which any of the Grantee's facilities located in or under any street are broken, damaged, or if the Grantee's construction area is otherwise in such a condition as to immediately endanger the property, life, health or safety of any individual, the Grantee shall immediately take the proper emergency measures to repair its facilities, to cure or remedy the dangerous conditions for the protection of property, life, health or safety of individuals without first applying for and obtaining a permit as required by this franchise. However, this shall not relieve the Grantee from the requirement of obtaining any permits necessary for this purpose, and the Grantee shall apply for all such permits not later than the next succeeding day during which the City offices are open for business.

Section 11. Dangerous Conditions, Authority for City to Abate. Whenever construction, installation or excavation of facilities authorized by this franchise has caused or contributed to a condition that appears to substantially impair the lateral support of the adjoining street or public place, or endangers the public, an adjoining public place, street utilities or City property, the Public Works Director may direct the Grantee, at the Grantee's own expense, to take actions to restore such lateral support, and/or protect the public, adjacent public places, City property or street utilities; and such action may include compliance within a prescribed time.

In the event that the Grantee fails or refuses to promptly take the actions directed by the City, or fails to fully comply with such directions, or if emergency conditions exist which require immediate action, the City may enter upon the property and take such actions as are necessary to protect the public, adjacent streets, or street utilities; or to maintain the lateral support thereof, or

actions regarded as necessary safety precautions; and the Grantee shall be liable to the City for the costs thereof. The provisions of this Section shall survive the expiration, revocation or termination of this franchise.

Section 12. Permits and Fees. Grantee shall be required to obtain all permits from the City necessary for work in the City and/or in the City's rights-of-way. In consideration of this franchise, including the factors set forth in Section 4, and the payments by Grantee provided in Section 18 hereof, Grantee shall not further be subject to any permit fees associated with Grantee's activities (except those undertaken due to a private development, activity or use) through the authority granted in this franchise ordinance or under the laws of the City.

The Grantee shall promptly reimburse the City for any and all costs the City reasonably incurs in response to any emergency caused by the negligence of the Grantee. City agrees to process Grantee's and Grantee's contractors' permits in the same expeditious manner as other permit applicants' permits are processed. Permits may be processed by facsimile or electronic mail.

Section 13. City's Reservation of Rights. Pursuant to RCW 35.21.860, the City is precluded from imposing a franchise fee on an electrical energy business, except for administrative expenses directly related to receiving and approving a permit, and to inspecting plans and construction.

The City hereby reserves its right to impose a franchise fee on the Grantee for purposes other than to recover its administrative expenses, if the Grantee's operations as authorized by this franchise change so that not all uses of the franchise are those of an electrical energy business or, if statutory prohibitions on the imposition of such fees are removed. In either instance, the City also reserves its right to require that the Grantee obtain a separate franchise for its change in use, which franchise may include provisions intended to regulate the Grantee's operations, as allowed under

applicable law. Provided however, if a franchise fee is desired to be imposed, the City and Grantee agree to renegotiate this franchise as further set forth in Section 4, so to preserve the original intent of the parties.

Section 14. Indemnification. The Grantee hereby releases, covenants not to bring suit and agrees to indemnify, defend and hold harmless the City, its officers, employees, agents and representatives from any and all claims, costs, judgments, awards or liability to any person, including claims by the Grantee's own employees to which the Grantee might otherwise be immune under Title 51 RCW, arising from injury or death of any person or damage to property, monetary losses, including refunds of charges or fees paid by customers, of which it is alleged or proven that the acts or omissions of the Grantee, its agents, servants, officers or employees in performing this franchise caused or contributed thereto, including claims arising against the City by virtue of the City's ownership or control of the rights-of-way or other public properties; by virtue of the Grantee's exercise of the rights granted herein, including payment of any monies to the City, or by virtue of the City's permitting the Grantee's use of the City's rights-of-way or other public property, based upon the City's inspection or lack of inspection of work performed by the Grantee, its agents and servants, officers or employees in connection with work authorized on the City's property or property over which the City has control, pursuant to this franchise or pursuant to any other permit or approval issued in connection with this franchise.

Inspection or acceptance by the City of any work performed by the Grantee at the time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification. Said indemnification obligations shall extend to claims which are not reduced to a suit and any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation.

In the event that the Grantee refuses the tender of defense in any suit or any claim, said

tender having been made pursuant to the indemnification clauses contained herein, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal on the part of the Grantee, then the Grantee shall pay all of the City's costs for defense of the action, including all reasonable expert witness fees and reasonable attorneys' fees and the reasonable costs of the City, including reasonable attorneys' fees of recovering under this indemnification clause.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Grantee and the City, its officers, employees and agents, the Grantee's liability hereunder shall be only to the extent of the Grantee's negligence unless otherwise provided by law. It is further specifically and expressly understood that the indemnification provided herein constitutes the Grantee's waiver of immunity under Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

The provisions of this Section shall survive the expiration, revocation or termination of this franchise.

Section 15. Insurance. Grantee is currently self-insured and has excess insurance coverage for potential liability in excess of its self-insured retention amounts. To the extent that Grantee is legally obligated by this franchise, Grantee's self-insurance fund and/or insurance policies shall provide protection to City in amounts equivalent to the levels set forth hereinbelow. Grantee's general comprehensive liability policy that includes automobile liability coverage (if such a policy continues to be obtained), shall have an endorsement naming City and its officers and employees as additional insureds for their actions pursuant to this franchise.

The amounts of insurance coverage that the Grantee shall maintain, whether by self insurance or insurance policies shall not be less than the following, or the equivalent thereof:

- A. Automobile Liability insurance with limits no less than \$1,000,000 Combined Single Limit per accident for bodily injury and property damage; and
- B. Commercial General Liability insurance, written on an occurrence basis with limits no less than \$1,000,000 combined single limit per occurrence and \$2,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground; and employer's liability.
- C. The coverage amounts set forth in A and B above shall be reviewed no less frequently than once every five (5) years, and such coverage amounts shall be adjusted as necessary to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances.

Any deductibles or self-insured retentions must be declared to and approved by the City.

Payment of deductible or self-insured retention shall be the sole responsibility of the Grantee.

Any insurance policy(ies) obtained by the Grantee to comply herewith shall name the City (its officers, employees and volunteers,) as an additional insured with regard to activities performed by or on behalf of the Grantee. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The Grantee's insurance shall be primary insurance with respect to the City, its officers, officials, employees and volunteers. Any insurance policy or policies obtained by the Grantee to comply with this clause shall be endorsed to state that coverage shall not be suspended,

voided, canceled by either party, reduced in coverage or in limits except with the prior written agreement of the City.

Any failure to comply with the insurance reporting provisions of the policies required herein shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Section 16. Abandonment of the Grantee's Facilities. No electrical system facility located within the public right-of-way by the Grantee may be abandoned by the Grantee without the express written consent of the City. Underground conduit or wires may be left in place when abandoned by Grantee. Any plan for abandonment or removal of the Grantee's facilities must be first approved by the Public Works Director, and all necessary permits must be obtained prior to such work. The provisions of this Section shall survive the expiration, revocation or termination of this franchise.

In the event the Grantee has a joint pole agreement with another party, pursuant to which Grantee may remove its portion of the pole, prior to removing its portion of any pole located in the City, the Grantee shall notify the City of its intention to remove its portion of the pole.

Section 17. Street Vacations. City may have occasion to vacate certain streets, public ways or areas that have Grantee's lines and facilities located thereon. City agrees to notify Grantee of such an occurrence and to reserve an easement for Grantee's lines and facilities when a street, public way or area is vacated. If it is not feasible for City to reserve an easement for Grantee's line(s) and facilities, the proponents of the vacation shall be required (by City) as part of land use or other permitting approvals, to reimburse Grantee all costs to relocate said line(s) and facilities.

Section 18. Modification and Annexation. The City and the Grantee hereby reserve the right to alter, amend or modify the terms and conditions of this franchise upon written agreement of both parties to such alteration, amendment or modification. In the event of a City annexation or

change in boundaries, City agrees to provide Grantee's Power Superintendent written notice of any such annexation or boundary change 60 days prior to the effective date thereof. After Grantee's Power Superintendent receives notification of said annexation or change in boundaries, Grantee agrees to make any necessary adjustments to Grantee's internal documents and customer records in order to reflect said annexation or boundary modifications.

The parties' respective chief operating or administrative officer may by letter agree to procedures or plans to implement the terms of this franchise.

Section 19. Exercise of City Authority. The parties acknowledge that the City has authority to operate its own electric utility and also has authority to contract with other public or private entities for the purchase of electrical energy. Grantee's long range planning would be improved, and its rate structure stabilized if the City did not elect to exercise its authority in the service area of the Grantee. Therefore, Grantee agrees that for and in consideration of the City not exercising its authority to operate its own electric utility in the service area served by Grantee, and not levying a Utility Tax, or not contracting with other public or private entities for the purchase of electrical energy in said service area, and the other factors of consideration set forth in Section 4 of this franchise, Grantee shall pay to the City an amount equal to three percent (3%) of the total gross revenues Grantee receives from Grantee's electric utility service customers located within the City that are served from Grantee's electric utility system. The payments to the City shall be made quarterly, in four equal payments each year, on or before March 31, June 30, September 30, and December 31 of each year during the term hereof. Except as provided below, such payments shall be based on the gross revenues received by Grantee in the preceding year, and such payments shall be calculated and submitted to the City using the form appended hereto as Attachment 1. It is further provided that nothing herein shall be deemed to impair the authority of the City to exercise its governmental powers.

Until the changeover date (as defined in Section 1), application of the City's existing utility tax will continue and payment will be made on Grantee's revenues accrued prior to said date. After the changeover date, the quarterly payments due to the City through 2003 shall be based on the gross revenues received by Grantee each quarter. For the first franchise administration fee payment, the gross revenues will commence to accrue as of the changeover date and will continue until the end of the initial quarter. During 2003, franchise administration fee payments shall be made within 30 days of quarter end. (i.e. changeover date of May 31, revenues accrued from May 31 through June 30 will have the franchise administration fee applied and franchise administration fee payment would be made on or before July 30. If changeover date occurred in second quarter, the third quarter 2003 payment would be on revenues from July 1 through September 30 and paid on or before October 30). In 2004, franchise administration fee payments will be based on total gross revenues received from Grantee's customers from within the City for 2003, less amounts paid to the City for the Fife Municipal Tax accrued prior to the changeover date.

After appropriate action by the City Council of Fife that shall include at least one year notice to Grantee (for implementation), the City may require that Grantee adjust the franchise administration fee amount to a higher or lower percentage of gross revenues, provided however, the percentage shall not exceed the percentage amount of tax that a municipality may impose on a private electric utility pursuant to RCW 35.21.865 and RCW 35.21.870 (as may be amended).

Whenever during the term of this franchise the City of Tacoma imposes on Grantee a Gross Earnings Tax for retail electrical service in excess of three percent (3 %), Grantee shall give the City written notice of such increase, and on and after the effective date that such increase is reflected in Grantee's rates, the percentage of gross revenues paid by the Grantee to the City pursuant to this Section 18, may be increased, at the request of the City, to equal the percentage of the Gross Earnings Tax.

Section 20. Forfeiture and Revocation. In the event of a violation or failure by Grantee to perform any material obligation or material duty hereunder or to comply with any material provision of this franchise, the City may elect, without any prejudice to any of its other legal rights and remedies, to obtain an order from the superior court having jurisdiction compelling the Grantee to comply with the provisions of this franchise, and to recover damages and costs incurred by the City by reasons of the Grantee's failure to comply or perform.

If the Grantee willfully violates or fails to comply with any material provision of this franchise, or through willful misconduct or gross negligence fails to heed or comply with any notice given the Grantee by the City under the provisions of this franchise, then the Grantee shall, at the election of the Fife City Council, forfeit all rights conferred hereunder and this franchise may be revoked or annulled by the Council after a hearing is held with reasonable notice to the Grantee.

Section 21. Remedies to Enforce Compliance. In addition to any other remedy provided herein, the City reserves the right to pursue any remedy to compel or force the Grantee and/or its successors and assigns to comply with the terms hereof, and the pursuit of any right or remedy by the City shall not prevent the City from thereafter declaring a forfeiture or revocation for breach of the conditions herein.

Section 22. City Ordinances and Regulations. Nothing herein shall be deemed to direct or restrict the City's ability to adopt and enforce all necessary and appropriate ordinances made in the exercise of its police powers in the interest of public safety and for the welfare of the public. The City shall have the authority at all times to control by appropriate regulations the location, elevation, manner of construction and maintenance of any facilities by the Grantee, and the Grantee shall promptly conform with all such regulations, unless compliance would cause the Grantee to violate other requirements of law. The City acknowledges that if it adopts an ordinance

requiring the undergrounding of Grantee's overhead electric utility system (in whole or part), that Grantee's cost reimbursement for such conversion may be in increased electric rates applicable to Grantee's customers within the City.

In order that electric utility related requirements, including, but not limited to the electric code, energy code, customer service policies, etc., be uniform within Grantee's service area, for Grantee's customers within the City, the City agrees to acknowledge the Grantee's authority to enforce its codes and policies and the City agrees to adopt by ordinance the Grantee's codes and policies, and subsequent versions, on said subjects as those adopted or promulgated by Grantee's legislative and/or other appropriate authority.

Section 23. Cost of Publication. The cost of the publication of this franchise shall be borne by the Grantee, provided that if such cost exceeds \$1,000, the excess amount may be deducted from the administrative fee to be paid to City.

Section 24. Acceptance. Within sixty days after the passage and approval of this franchise, this franchise may be accepted by the Grantee by its filing with the City Clerk an unconditional written acceptance thereof. Failure of the Grantee to so accept this franchise within said period of time shall be deemed a rejection thereof by the Grantee, and the rights and privileges herein granted shall, after the expiration of the sixty day period, absolutely cease and determine, unless the time period is extended by ordinance duly passed for that purpose

Section 25. Survival. All of the provisions, conditions and requirements of Sections 3, Relocation of Electrical Transmission Facilities; 10, Dangerous Conditions; 13, Indemnification; and 15, Abandonment of the Grantee's Facilities, of this franchise shall be in addition to any and all other obligations and liabilities the Grantee may have to the City at common law, by statute, or by contract, and shall survive this franchise to the Grantee, and any renewals or extensions thereof (however, such survival period extends only through the applicable statute of limitations period).

All of the provisions, conditions, regulations and requirements contained in this franchise shall further be binding upon the successors, legal representatives and assigns of the Grantee and all privileges, as well as all obligations and liabilities of the Grantee shall inure to its successors, legal representatives and assigns equally as if they were specifically mentioned wherever the Grantee is named herein.

Section 26. Severability. If any section, sentence, clause or phrase of this franchise should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this franchise. In the event that any of the provisions of this franchise are held to be invalid by a court of competent jurisdiction, the City reserves the right to reconsider the grant of this franchise and may amend, repeal, add, replace or modify any other provision of this franchise, or may terminate this franchise.

Section 27. Assignment. This franchise may not be assigned or transferred without the written approval of the City, which approval shall not be unreasonably withheld. In the event Grantee desires to assign this franchise to a successor, Grantee shall pay the reasonable cost for the City's review of the creditworthiness, service capability, and business practices of the proposed assignee.

Section 28. Notice. Any notice or information required or permitted to be given to the parties under this franchise may be sent to the following addresses unless otherwise specified:

City of Fife
5411 23rd Street East
Fife, WA 98424
Attn: City Manager

Tacoma Power
3628 South 35th Street
Tacoma, WA 98409-3115

Attn: Power Superintendent

Section 29. Effective Date. This Ordinance has first been submitted to the Fife City Attorney; granted an approving vote of at least a majority of the City Council at a regular meeting after initial introduction on August 12, 2003, and been published at least once in a newspaper of general circulation in the City of Fife. This franchise ordinance shall be effective thirty (30) days after execution and pursuant to RCW 80.32.040 is subject to referendum under the general laws of this state.

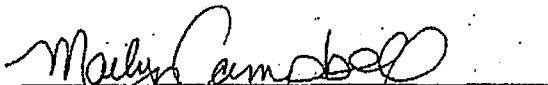
ADOPTED by the City Council this 23rd day of September, 2003.

CITY OF FIFE.



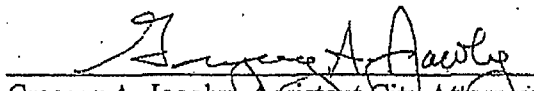
William J. Malinen, City Manager

Attest:



Marlyn Campbell, City Clerk

Approved as to Form:



Gregory A. Jacoby, Assistant City Attorney

Jacobs, Charleen

From: Voigt, Leda
Sent: Thursday, August 10, 2017 4:39 PM
To: Jacobs, Charleen
Cc: Trevorrow, Deborah
Subject: July Statements & June Self Insurance for PUB

Hi Charleen,

We experienced technical difficulties closing the financial system for July which delayed closing by a couple of days. Because of this delay, we will not be able to have July Financial statements ready in time for the August 23rd PUB meeting.

It is our goal to provide the following information for the September 13th PUB Meeting:

June Quarterly Statement:

- ~~Self-Insurance~~

July Monthly Statement:

- Fleet
- Power
- Rail
- ~~Self-Insurance~~
- Water

July Cash Projection:

- Power
- Rail
- Water

Should you have any questions, please feel free to ask.

Thanks,

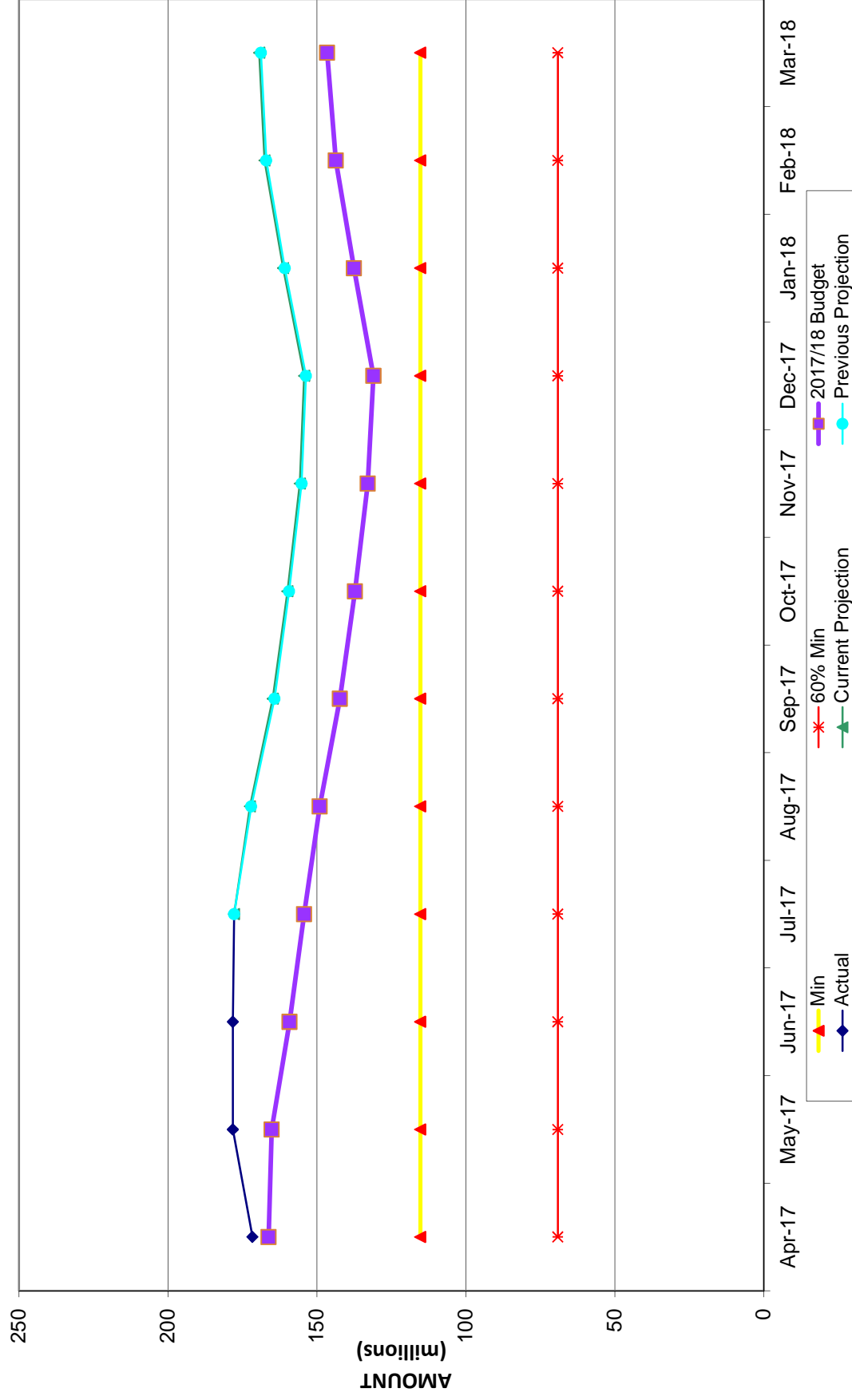
Leda Voigt, CPA

Utilities Accounting Division Manager
City of Tacoma | Finance Department
3628 S. 35th St., Tacoma, WA 98409
d: (253) 502-8512 | e: lvoigt@cityoftacoma.org

TACOMA POWER

CURRENT FUND BALANCED BUDGET CASH PROJECTIONS

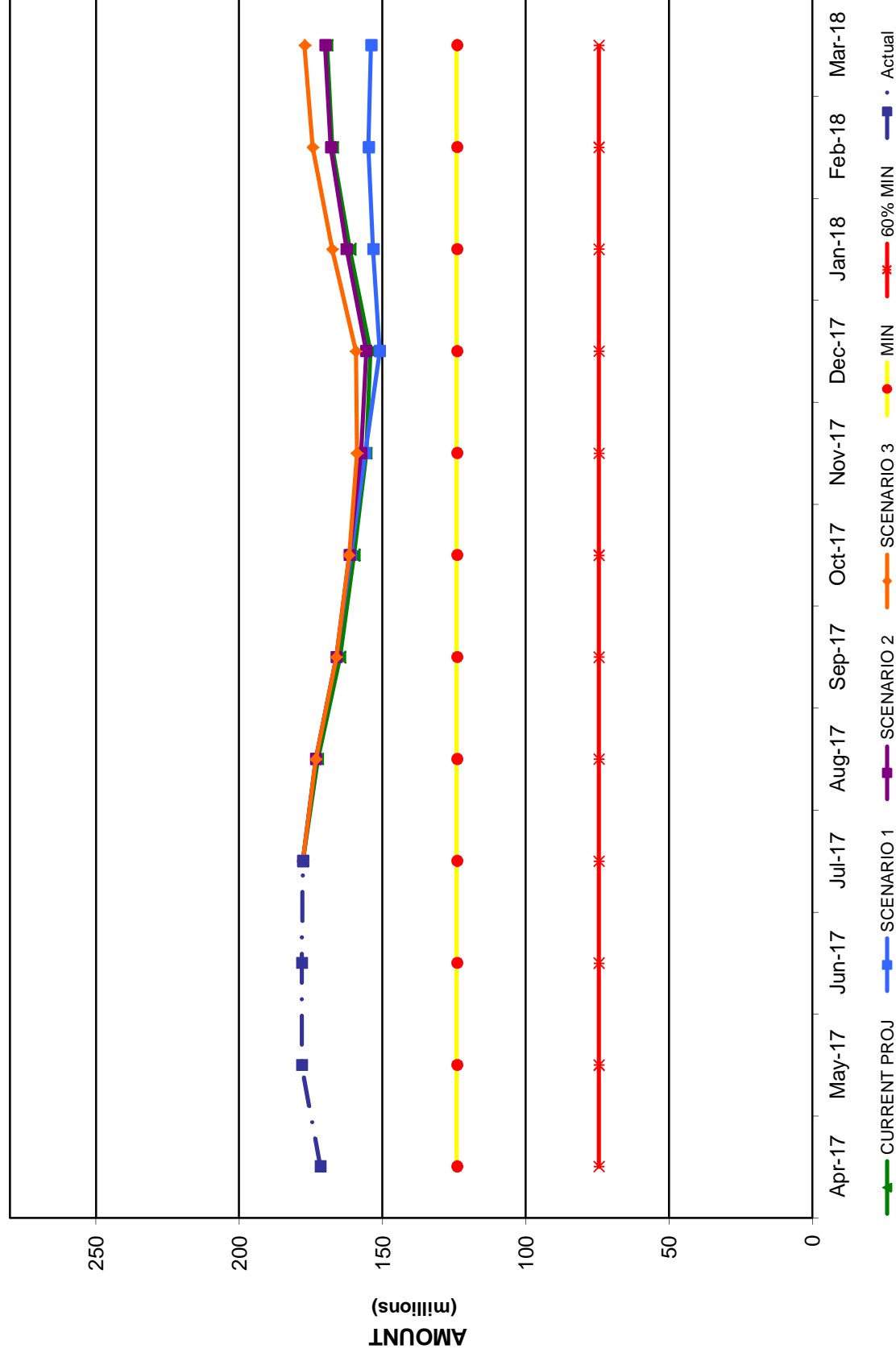
Estimated Cash for 2017-2018



TACOMA POWER

CURRENT FUND CASH PROJECTIONS

Actual and Estimated Cash for 2017-2018



TACOMA POWER
2017-2018 BALANCED BUDGET CASH PROJECTION
(000's omitted)

	Jul-17	Jul-17	Aug-17	Sep-17	Oct-17
	Estimate	Actual			
Beginning Cash Balance (4)	181,823	181,823	177,814	172,881	165,218
Cash In					
Retail Sales	24,101	23,513	24,730	23,852	25,534
Wholesale Sales	4,903	4,067	3,814	2,314	1,286
Telecommunications	2,305	2,248	2,407	2,434	2,467
Other Revenue	2,017	2,591	2,017	2,017	2,017
Total Cash In	33,326	32,419	32,968	30,617	31,304
Cash Out					
Personnel Costs	7,710	7,370	7,710	7,710	7,710
Debt Service	3,019	2,608	3,019	3,019	3,019
Taxes	4,463	3,908	3,926	4,845	3,708
BPA Purchases	10,550	11,546	10,900	11,388	10,736
Wholesale Purchases	1,947	2,044	2,320	1,292	1,040
Supplies, Other Services & Charges	6,616	6,469	6,616	6,616	6,616
Capital Outlay	3,410	4,706	3,410	3,410	3,410
Total Cash Out	37,715	38,651	37,901	38,280	36,239
Net	(4,389)	(6,232)	(4,933)	(7,663)	(4,935)
Change in A/R		778			
Change in A/P		1,445			
Ending Cash Balance	177,434	177,814	172,881	165,218	160,283

The accompanying notes are an integral part of these cash projections.

TACOMA POWER
2017-2018 CURRENT FUND CASH PROJECTIONS

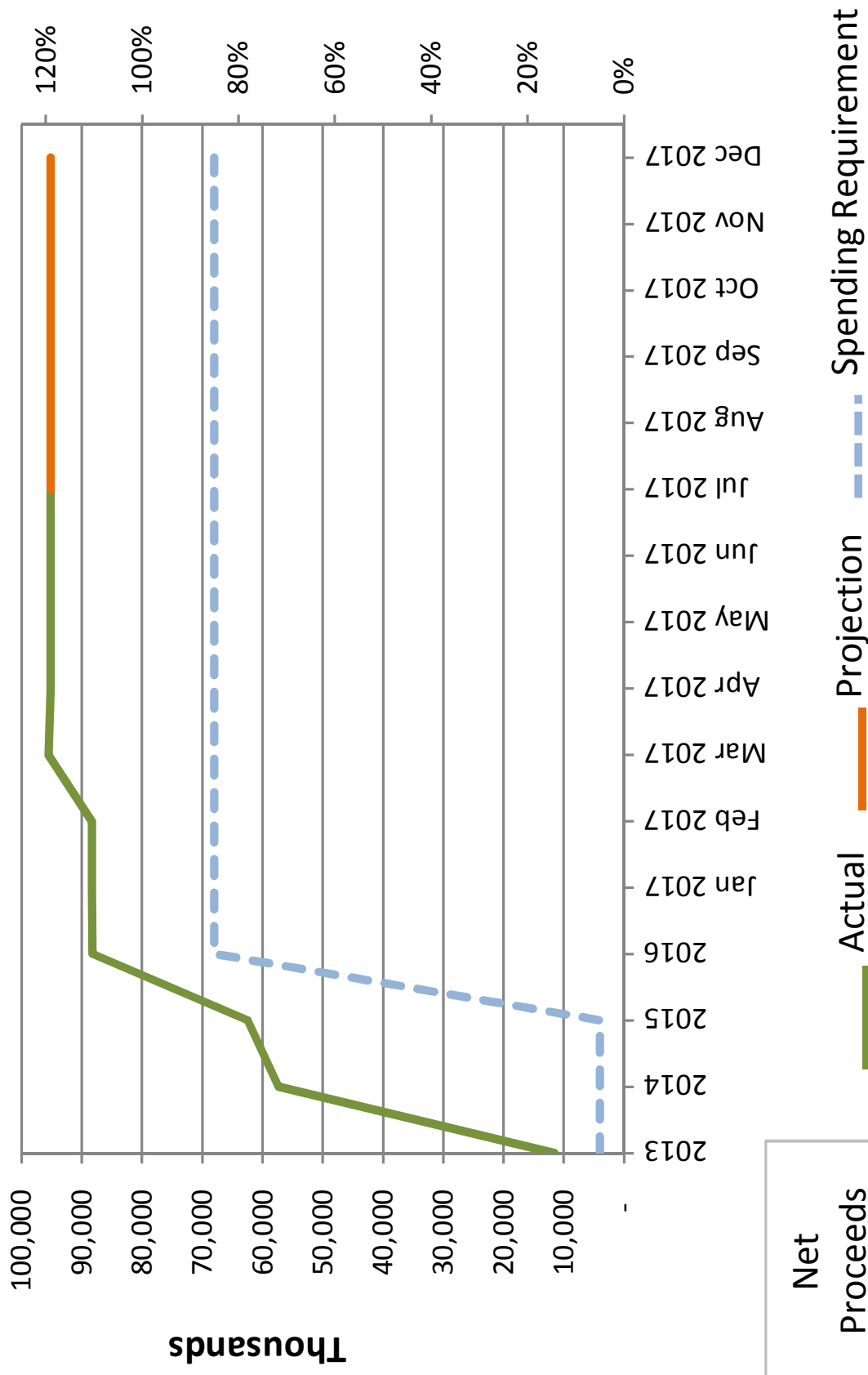
Notes:

1. While this projection is based primarily on historic patterns, it is factored by actual revenue and expense elements when known or when they can reasonably be estimated.
2. Based on Public Utility Board and City Council resolutions, the Division should maintain a minimum cash working capital balance of approximately \$115.3 million (90 days) in the 2017/2018 biennium. Due to seasonal fluctuations, however, the Division may on occasion drop below this recommended level. The cash balance in any month should never be allowed to drop more than 40% below the recommended level (\$69.2 million).
3. Commitments: These projections are based on the 2017/2018 budget.
4. "Actual" cash and investment balance as of July 1st, 2017.
5. BPA Purchase information provided by Power Management March 9th, 2017.
BPA billings are net of Wynoochee and LaGrande/Cushman billing credits.
6. The Capital Outlay projection is based on the 2017/2018 budget.
7. Regular debt service includes the interest and principal payments on all outstanding Electric System Revenue and Refunding bonds.
8. Retail revenue in this projection is based on the Retail Sales and Forecast provided by the Rates, Planning and Analysis division.
9. On the Current Fund Cash Projections graph the most recent projection is labeled "CURRENT PROJ." Also shown are three scenarios based on estimated wholesale power sales revenues under current forward wholesale market prices and the following streamflow conditions:
 - Scenario 1 represents critical water conditions for 12 months followed by adverse water conditions.
 - Scenario 2 represents adverse water conditions.
 - Scenario 3 represents average water conditions.
10. Wholesale Sale/Purchase information provided by Power Management on August 10th, 2017.

Significant Changes:

Capital Outlay was \$1.3 million more than estimated for the month of July. The projections are estimates and may differ from actual spending on a monthly basis

4700-13CON Cumulative Bond Spending



Net
Proceeds
\$93,743 M

Tacoma Public Utilities
Power Bonds
As of July 31, 2017

	4700-13CON
Bond Type	Revenue Bonds
Issue Date	6/1/2013
Months Transpired	47

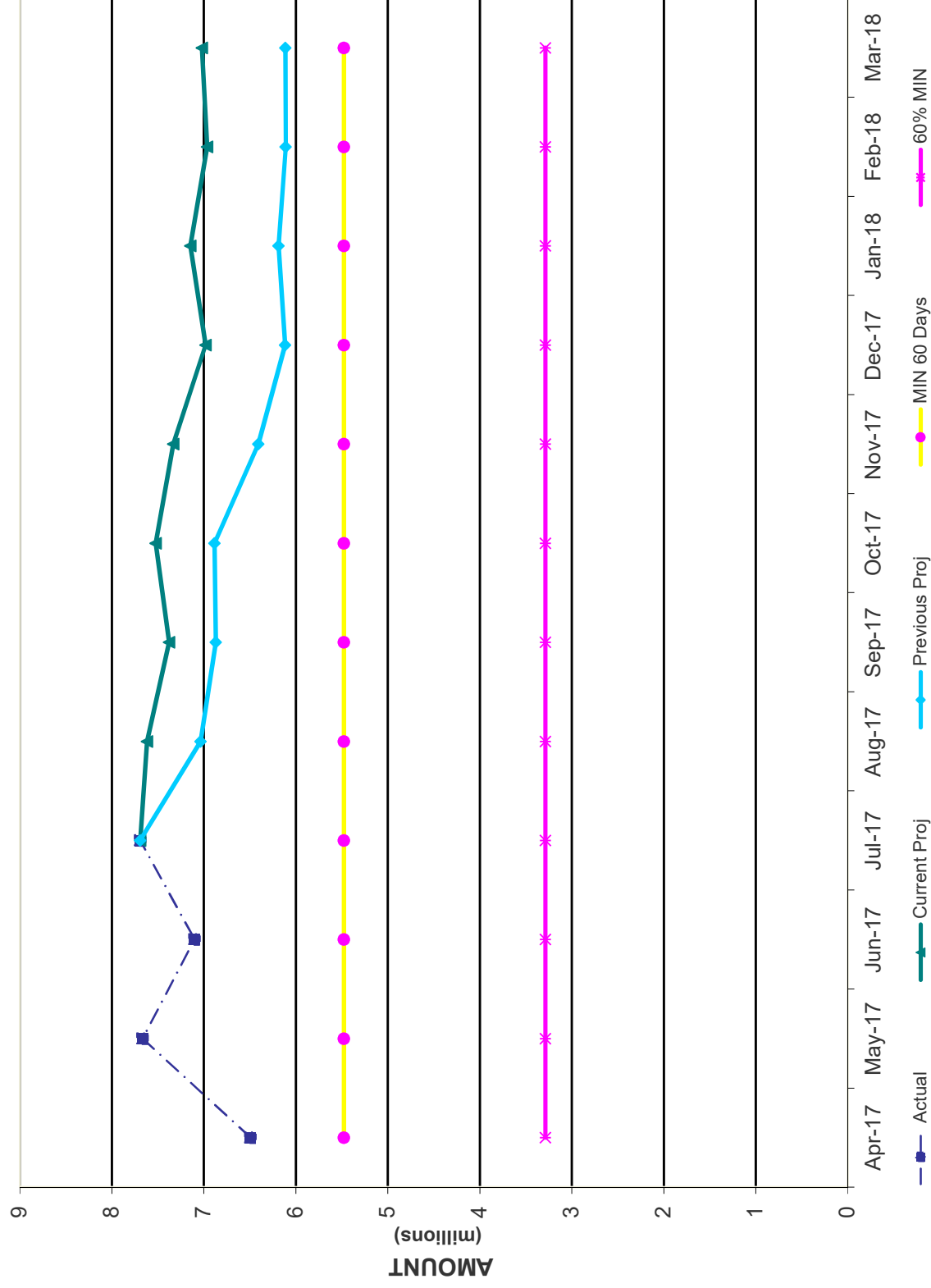
Construction Fund Proceeds	93,743,000
Investment Revenue	1,455,444
Period	
2013	(11,583,188)
2014	(45,757,017)
2015	(5,099,210)
2016	(25,786,936)
1/31/2017	(81,348)
2/28/2017	(12,329)
3/31/2017	(7,210,199)
4/30/2017	326,072
5/31/2017	-
6/30/2017	5,714
7/31/2017	-

Total Spending	(95,198,441)
Remaining Bond Balance	3
Actual % Spent	102%
Cash Balance	3

TACOMA RAIL

2017 CURRENT FUND CASH PROJECTIONS

Actual & Estimated Cash



TACOMA RAIL
2017 CURRENT FUND CASH PROJECTIONS
(000's omitted)

	Jul-17 Estimate	Jul-17 Actual	Aug-17 Estimate	Sep-17 Estimate	Oct-17 Estimate
Beginning Cash Balance	7,101	\$7,101	\$7,691	\$7,616	\$7,376
<u>REVENUES (Cash-In)</u>	(1)				
Switching Revenue	2,117	2,105	2,062	1,988	2,023
Demurrage Revenue	96	81	96	96	96
Other Revenues	22	10	22	22	22
Lease Revenue	90	83	130	90	90
Interest Income	8	10	8	8	8
Service Maint/Trans Revenue	155	204	155	155	155
Total Revenues	2,488	2,493	2,473	2,359	2,394
<u>EXPENSES (Cash-Out)</u>	(1)				
Personnel Costs	1,220	1,121	1,220	1,220	1,215
Taxes	233	261	231	221	224
Supplies, Other Services & Charges	754	574	753	863	592
Assessments	139	131	140	139	140
Debt Service	90	(110)	108	111	37
Capital Outlay	190	25	96	45	40
Total Expenses	2,626	2,002	2,548	2,599	2,248
Change in AR	(3)	165			
Change in AP	(3)	(66)			
Net Increase (Decrease) in Cash	(138)	590	(75)	(240)	146
Ending Cash Balance	(2)	6,963	\$7,691	\$7,616	\$7,376
					\$7,522

The accompanying notes are an integral part of these cash projections.

TACOMA RAIL
2017 CURRENT FUND CASH PROJECTIONS

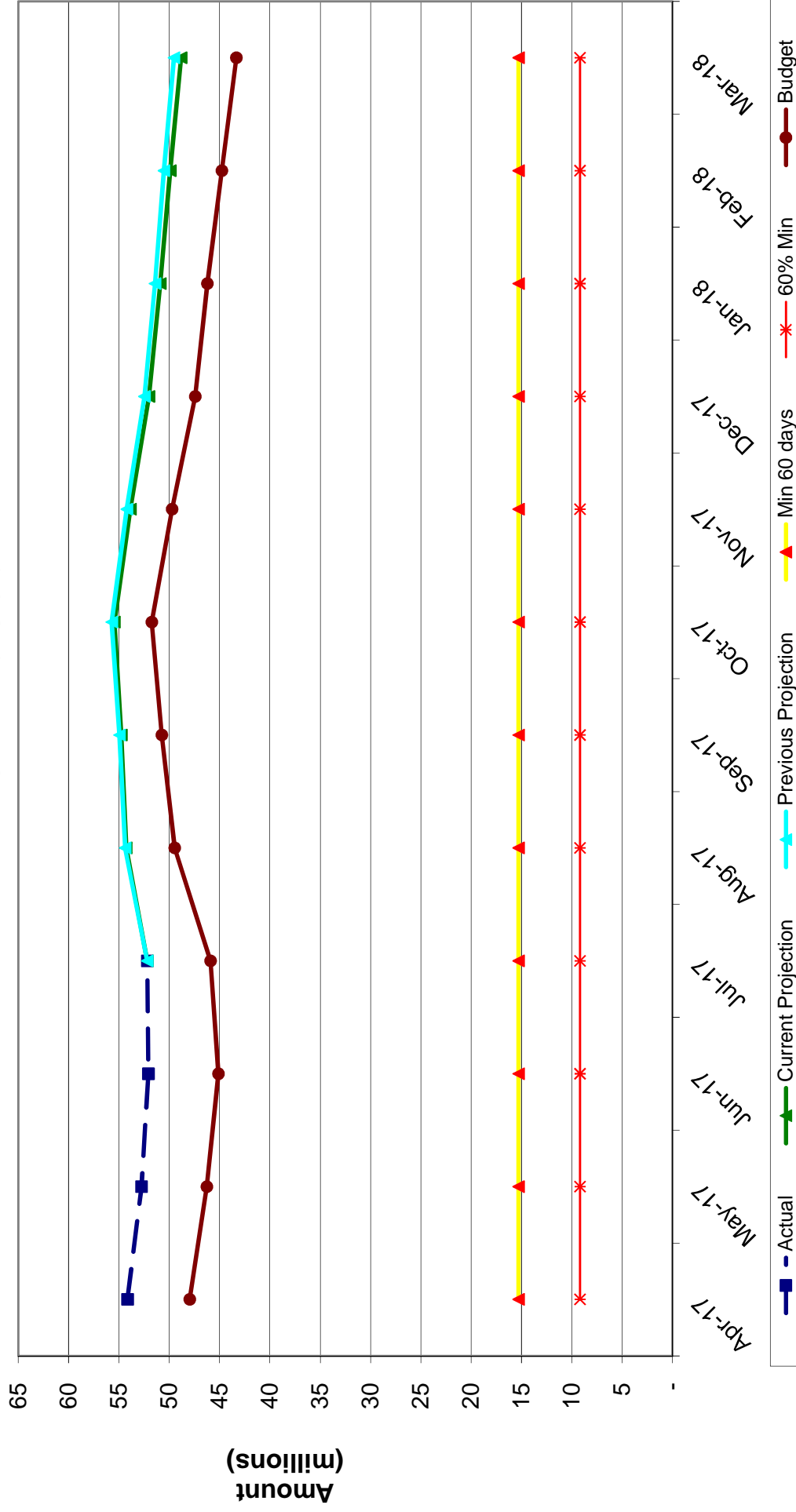
Notes:

1. While this projection is based primarily on historic patterns, it is factored by actual revenue and expense elements when known or when they can reasonably be estimated.
2. Based on City Council Resolution No. 37101, adopted February 6, 2007, the Division should maintain a minimum cash balance equal to 60 days of current expenditures (\$5.478 million in the 2017/2018). Due to seasonal fluctuations, however, the Division may on occasion drop below this recommended level. The cash balance in any month should never be allowed to drop more than 40% below the recommended level (\$3.287 million).
3. Change in AR and Change in AP are adjustments to the current month's actual cash flows from Revenues and Expenses which factor into the actual ending cash balance. A positive number in Change in AR indicates collections from outstanding accounts receivables exceeded revenues billed in the same month. Conversely, a positive number in Change in AP indicates that payments for goods and services were less than recorded expenses for the same month. The outstanding AR and AP balances at the end of the month will impact the future cash inflows and outflows, respectively.

Significant changes since last projection:

1. The variance in Supplies, Other Services and Charges of (\$180,000) is due to the delay of invoices associated with the Positive Train Control (PTC) project being expensed. The costs are anticipated to be expensed in August as the project progresses.
2. The variance in Debt Service of (\$200,000) is due to the a loan draw expected to be received in June but not posted until
3. The variance of (\$165,000) in Capital Outlay is due to two project billings being moved to a future date.
4. The variance of 165,000 in AR is due mainly to a large billing issued to US Oil at the end of July.

TACOMA WATER CURRENT FUND CASH PROJECTIONS Actual & Estimated Cash for 2017/2018



TACOMA WATER
2017/2018 CURRENT FUND CASH PROJECTIONS
(000's omitted)

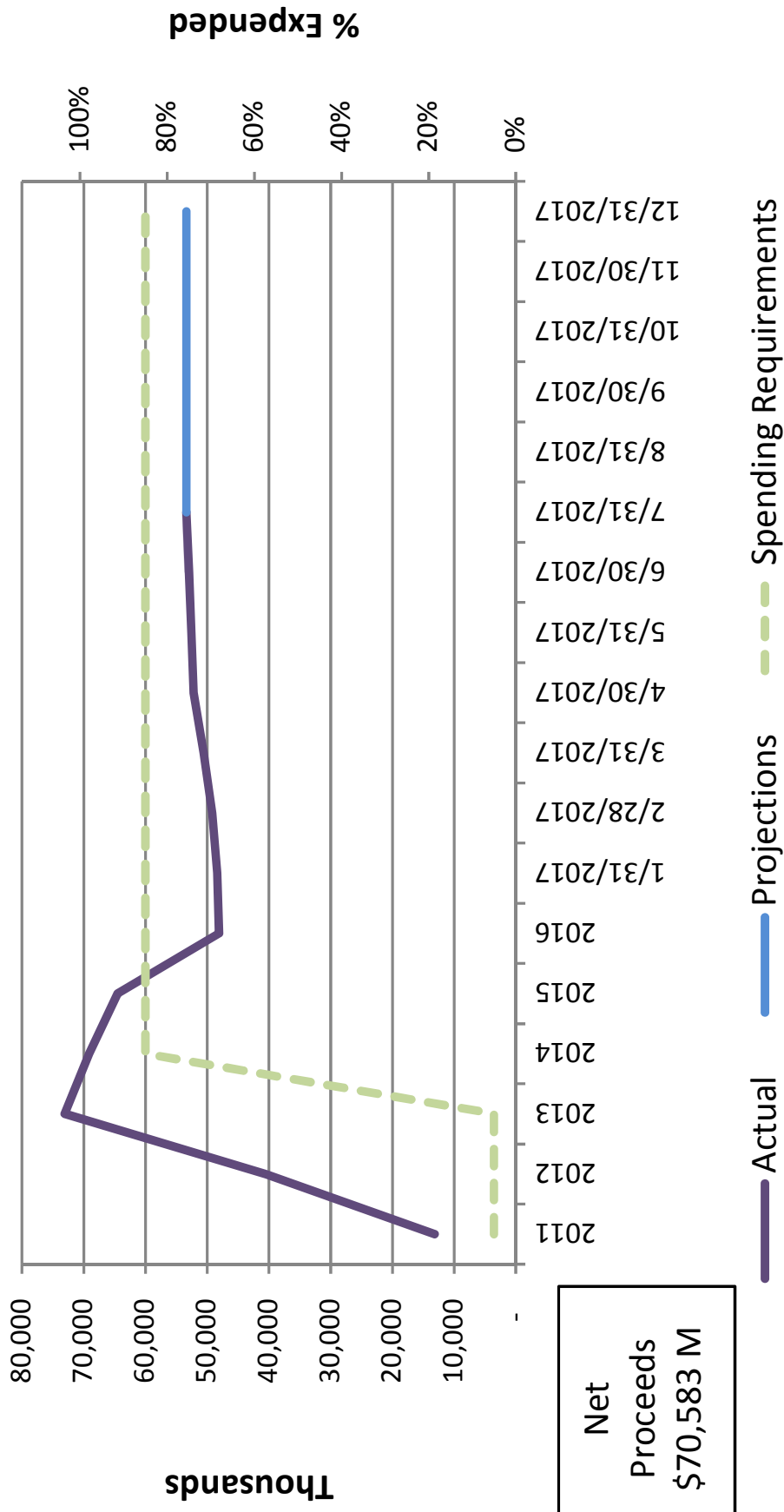
	Jul-17 Estimate	Jul-17 Actual	Aug-17 Estimate	Sep-17 Estimate	Oct-17 Estimate
Beginning Cash Balance	52,078	52,078	52,187	54,267	54,777
Cash In					
Water Sales	7,004	6,914	9,397	7,563	7,624
Public Fire Protection (collected)	233	282	287	224	287
Interest	23	77	23	23	23
Other Revenue	306	472	331	310	307
BABs Subsidies	231	248	231	231	231
Total Cash In	7,797	7,993	10,269	8,351	8,472
Cash Out					
Personnel Costs	2,055	1,878	2,055	2,055	2,055
Supplies, Other Services & Charges	2,420	2,304	2,614	2,367	2,483
Taxes	989	982	1,307	1,206	1,052
Debt Service	2,213	2,183	2,213	2,213	2,208
Capital Outlay	-	15	-	-	-
Total Cash Out	7,677	7,362	8,189	7,841	7,798
Change in A/R	-	(443)	-	-	-
Change in A/P	-	(79)	-	-	-
Net Change in Cash	120	109	2,080	510	674
Ending Cash Balance	52,199	52,187	54,267	54,777	55,451

TACOMA WATER
2017/2018 CURRENT FUND CASH PROJECTIONS

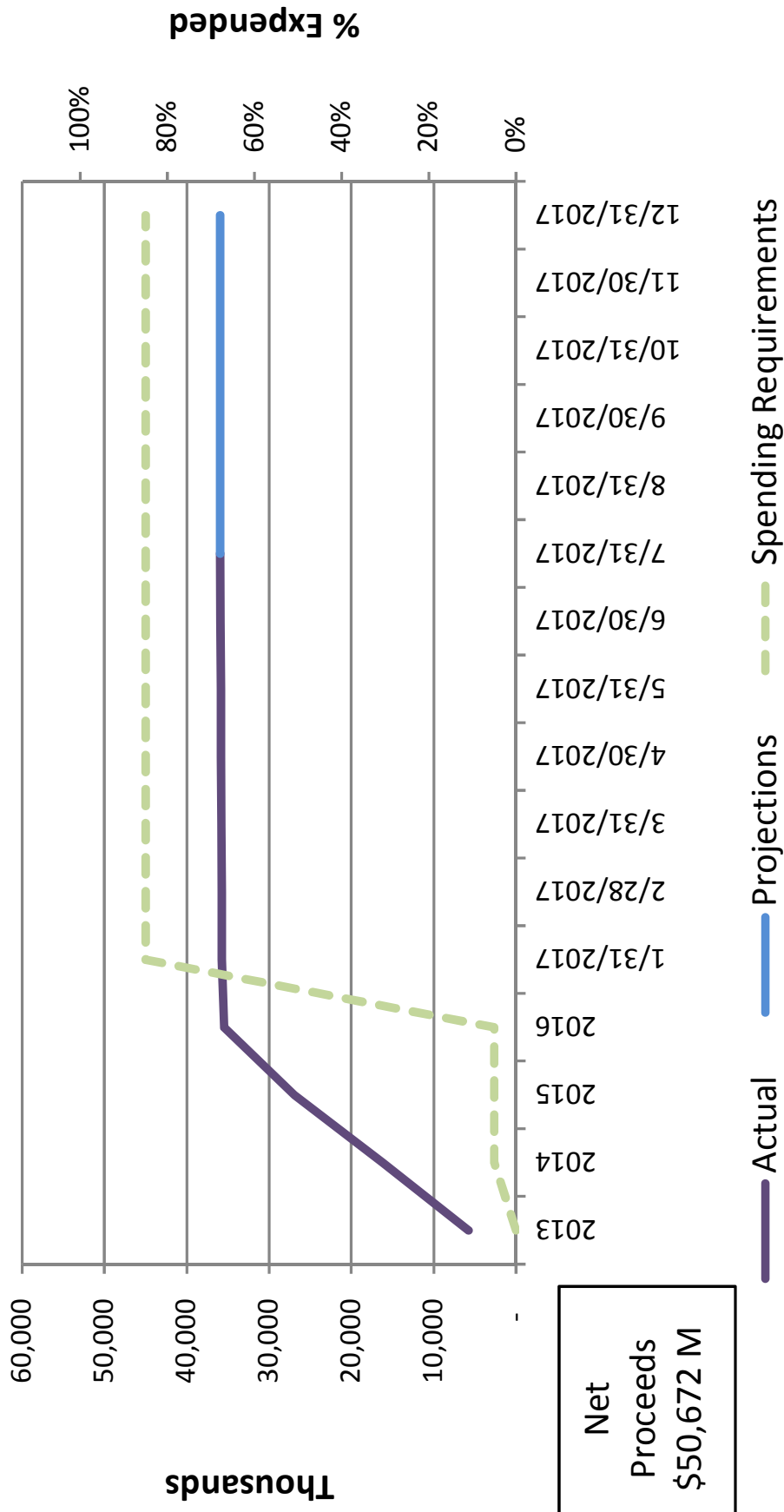
Notes:

1. While this projection is based primarily on historic patterns, it is factored by actual revenue and expense elements when known or when they can reasonably be estimated.
2. Based on City Council Resolution No. 38215, adopted March 8, 2011, the Division should maintain a minimum cash balance equal to 60 days of current expenditures (\$15.964 million in 2017/2018). Due to seasonal fluctuations, however, the Division may on occasion drop below this recommended level. The cash balance in any month should never be allowed to drop more than 40% below the recommended level (\$9.578 million).
3. Projections for changes in A/P and A/R are not provided due to the variable nature of these accounts. In general, a change in A/R is a result of a change in current month billings and collections, both of which are indicators of current and future cash inflows. A change in A/P is a result of a change in current month purchases and payments, both of which are indicators of current and future cash outflows.

Water 4600-10WC Cumulative Bond Spending



Water 4600-13WC Cumulative Bond Spending



Tacoma Public Utilities
Water Bonds
As of July 31, 2017

	Water	
	4600-10WC	4600-13WC
Bond Type	Taxable Build America Bonds	Revenue and Refunding Bonds
Issue Date	8/26/2010	5/7/2013
Months Transpired	84	51

Construction Fund Proceeds	70,583,000	50,672,000
Interest Income	3,285,481	1,080,515
Period		
2011	(13,126,630)	-
2012	(27,346,085)	-
2013	(32,598,851)	(5,767,218)
2014	4,004,026	(10,470,130)
2015	4,610,670	(10,684,407)
2016	16,395,475	(8,545,727)
1/31/2017	(277,688)	(272,288)
2/28/2017	(825,242)	(18,652)
3/31/2017	(1,388,636)	(35,048)
4/30/2017	(1,597,225)	(37,188)
5/31/2017	(379,296)	(34,769)
6/30/2017	(394,110)	(31,141)
7/31/2017	(418,590)	(50,725)

Total Spending	(53,342,182)	(35,947,293)
Remaining Bond Balance	20,526,300	15,805,222
Actual % Spent	76%	71%
Cash Balance	20,526,300	15,805,222

4600-10WC

PROJECT	EST \$\$	ACT \$\$	DIFF
17/18 Water Service Replace & Renewals	-	110,194	110,194
23 projects	-	308,396	308,396
	-		-
	-		-
	-		-

TOTAL Spending vs. Projection

-	418,590	418,590
---	---------	---------

4600-13WC

PROJECT	EST \$\$	ACT \$\$	DIFF
12 projects	-	50,725	50,725
			-
			-
			-
			-

TOTAL Spending vs. Projection

-	50,725	50,725
---	--------	--------

JULY

FLEET SERVICES FUND

2017

**FINANCIAL
REPORT**



Public Utility Board

MONIQUE TRUDNOWSKI

Chair

WOODROW JONES

Vice-Chair

KAREN LARKIN

Secretary

BRYAN FLINT

Member

MARK PATTERSON

Member

WILLIAM A. GAINES

Director of Utilities/CEO

DON ASHMORE

Utilities Fleet Manager

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES

FLEET SERVICES FUND

TABLE OF CONTENTS

Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.

STATEMENTS OF NET POSITION	1 - 2
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	3 - 4
SUPPLEMENTAL DATA	6 - 8

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
FLEET SERVICES FUND

STATEMENTS OF NET POSITION
JULY 31, 2017 AND JULY 31, 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	719,381	692,125
Transportation Equipment	42,810,288	37,625,145
Power-Operated Equipment	19,105,895	18,944,220
Accumulated Depreciation	<u>(39,379,525)</u>	<u>(38,662,199)</u>
Total Fixed Assets	23,872,940	19,216,192
Construction Work in Progress	<u>1,777,482</u>	<u>3,415,800</u>
Net Fixed Assets	25,650,422	22,631,992
CURRENT		
Current Fund Cash & Equity in Pooled Investments	19,075,775	22,296,877
Materials and Supplies	<u>295,470</u>	<u>284,162</u>
Total Current Assets	19,371,245	22,581,039
OTHER ASSETS		
Net Pension Asset	<u>-</u>	<u>101,261</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pensions	<u>964,710</u>	<u>240,412</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS.....	<u><u>\$45,986,377</u></u>	<u><u>\$45,554,704</u></u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2016 Annual Report.

	2017	2016
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$25,650,422	\$22,631,992
Restricted for:		
Tacoma Power	18,095,346	18,095,346
Tacoma Water	7,199,933	7,199,933
Tacoma Rail	981,147	981,147
Net Pension Asset	-	101,261
Unrestricted	(7,203,097)	(4,132,894)
TOTAL NET POSITION	44,723,751	44,876,785
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	58,194	280,531
Wages Payable	82,146	70,566
Total Current Liabilities	140,340	351,097
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	231,004	219,922
Net Pension Liability	835,359	-
Total Long-term Liabilities	1,066,363	219,922
TOTAL LIABILITIES	1,206,703	571,019
DEFERRED INFLOW OF RESOURCES		
Deferred Inflows for Pensions	55,923	106,900
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	\$45,986,377	\$45,554,704

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
FLEET SERVICES FUND

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
JULY 31, 2017 AND JULY 31, 2016

	JULY 2017	JULY 2016
OPERATING REVENUE		
Maintenance Revenue	\$168,492	\$184,298
Capital Recovery	207,206	384,535
Administrative Overhead	237,424	68,795
Fuel and Fuel Loading	4,154	3,919
Pool Car Rental	10,742	11,609
Total Operating Revenue	<u>628,018</u>	<u>653,156</u>
OPERATING EXPENSES		
Repairs and Servicing		
Shop Operations	225,079	207,578
Outside Services	5,119	126
Total Repairs and Servicing	<u>230,198</u>	<u>207,704</u>
Stores Operations	26,312	25,684
Administration	121,139	121,427
Depreciation	292,697	246,915
Total Operating Expenses	<u>670,346</u>	<u>601,730</u>
OPERATING INCOME (LOSS).....	(42,328)	51,426
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	4,772	4,536
Gain (Loss) on Disposition of Equipment	-	-
Sale of Scrap	-	-
Total Non-Operating Revenues (Expenses)	<u>4,772</u>	<u>4,536</u>
Net Income Before Transfers	(37,556)	55,962
Transfers In	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u><u>(\$37,556)</u></u>	<u><u>\$55,962</u></u>
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - JULY 31		

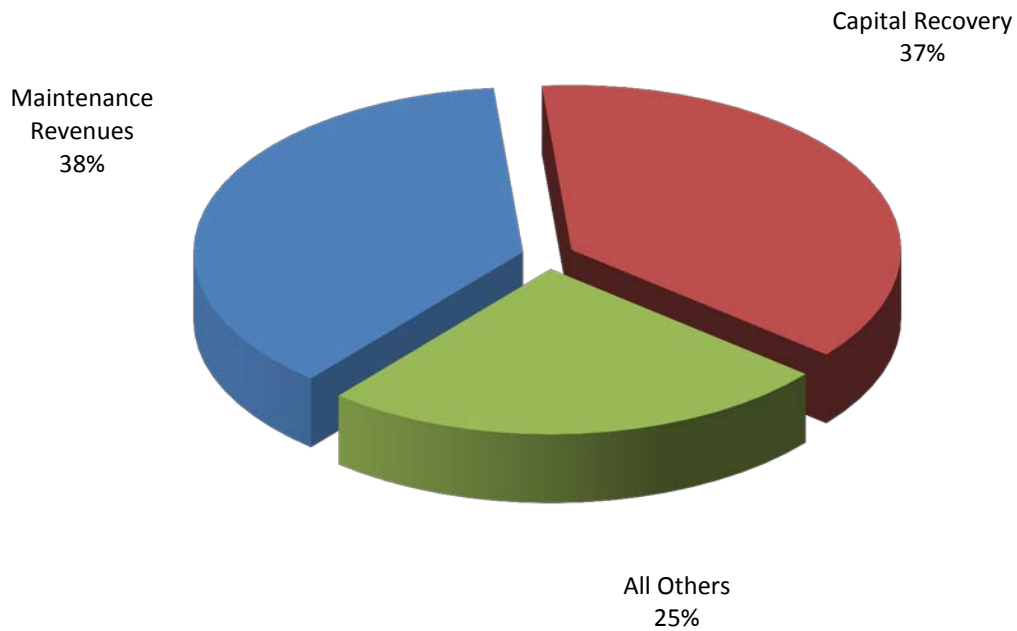
These statements should be read in conjunction with the Management Discussion and Analysis in the June 2017 Financial Report.

YEAR TO DATE			
JULY 2017	JULY 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$1,329,049	\$1,306,498	\$22,551	1.7%
1,326,151	2,691,132	(1,364,981)	-50.7%
790,554	483,367	307,187	63.6%
32,596	24,959	7,637	30.6%
69,604	65,841	3,763	5.7%
3,547,954	4,571,797	(1,023,843)	-22.4%
1,538,415	1,535,129	3,286	0.2%
28,684	20,701	7,983	38.6%
1,567,099	1,555,830	11,269	0.7%
178,542	177,310	1,232	0.7%
829,201	827,199	2,002	0.2%
2,055,053	1,755,404	299,649	17.1%
4,629,895	4,315,743	314,152	7.3%
(1,081,941)	256,054	(1,337,995)	-522.5%
90,188	92,166	(1,978)	-2.1%
121,294	152,768	(31,474)	0.0%
12,513	6,875	5,638	0.0%
223,995	251,809	(27,814)	-11.0%
(857,946)	507,863	(1,365,809)	-268.9%
-	2,181	(2,181)	0.0%
(857,946)	510,044	(\$1,367,990)	-268.2%
45,581,697	44,366,741		
<u>\$44,723,751</u>	<u>\$44,876,785</u>		

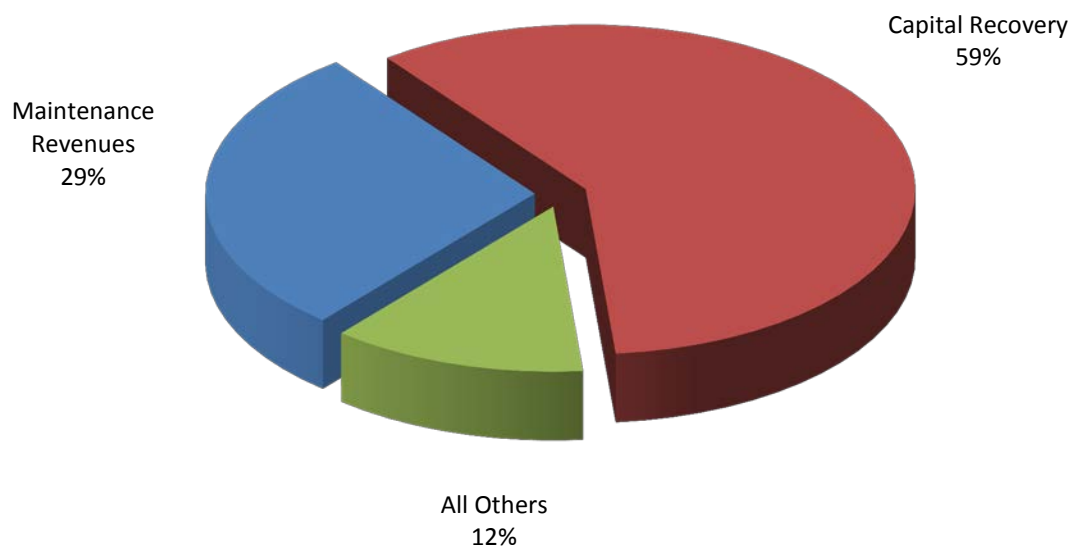
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Supplemental Data

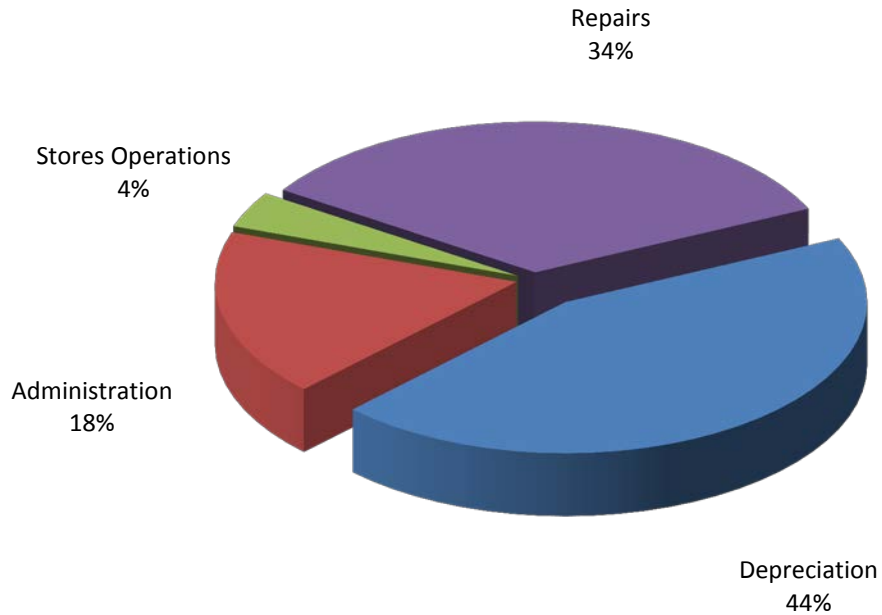
TOTAL OPERATING REVENUES
Year to Date - July 2017 (\$3,547,954)



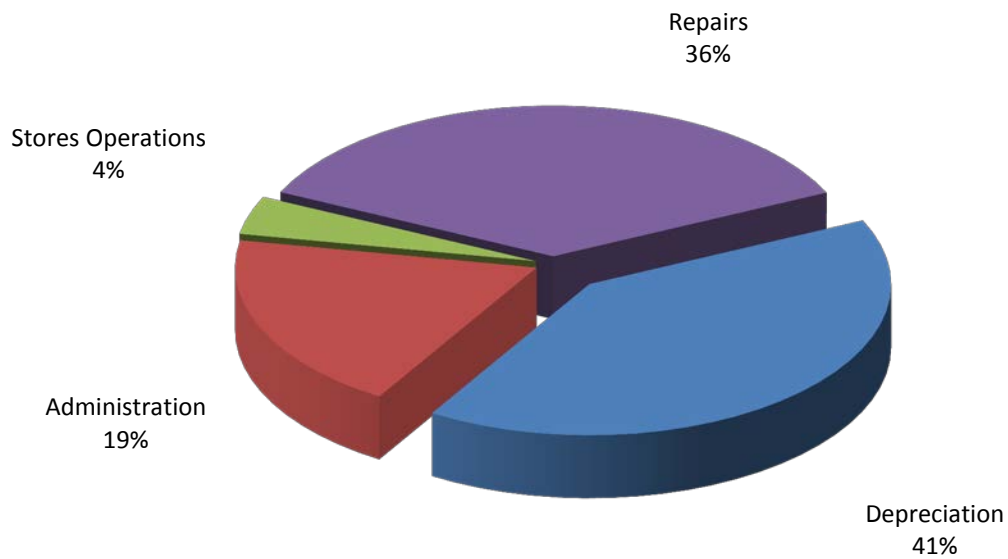
TOTAL OPERATING REVENUES
Year to Date - July 2016 (\$4,571,797)



TOTAL OPERATING EXPENSES
Year to Date - July 2017 (\$4,629,895)



TOTAL OPERATING EXPENSES
Year to Date - July 2016 (\$4,315,743)





The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.

JULY

TACOMA POWER

2017

**FINANCIAL
REPORT**



Public Utility Board

MONIQUE TRUDNOWSKI
Chair

WOODROW JONES
Vice-Chair

KAREN LARKIN
Secretary

BRYAN FLINT
Member

MARK PATTERSON
Member

WILLIAM A. GAINES
Director of Utilities/CEO

CHRIS ROBINSON
Power Superintendent/COO

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION
Doing Business As

TACOMA POWER

TABLE OF CONTENTS

Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.

STATEMENTS OF NET POSITION	1 - 2
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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

STATEMENTS OF NET POSITION - July 31, 2017 AND July 31, 2016

ASSETS AND DEFERRED OUTFLOWS	2017	2016
UTILITY PLANT		
Electric Plant in Service	\$2,005,409,250	\$1,908,570,143
Less Depreciation and Amortization	(1,029,658,402)	(976,358,560)
Total	975,750,848	932,211,583
Construction Work in Progress	55,716,611	81,082,052
Net Utility Plant	1,031,467,459	1,013,293,635
NON-UTILITY PROPERTY	182,051	182,051
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010B Construction Fund	-	1,199,532
2013 Construction Fund	3	33,646,954
2015 Construction Fund	7,941,406	224,127
Provision for Debt Service	8,284,528	9,011,320
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve--State of Washington	2,581,794	2,555,980
Total Restricted Assets	23,805,370	51,635,552
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	177,840,735	157,568,238
Customers' and Contractors' Deposits	2,684,959	2,892,858
Conservation Loan Fund	3,665,864	3,533,736
Rate Stabilization Fund	47,999,676	48,000,000
Receivables:		
Customers	19,066,342	14,664,214
Accrued Unbilled Revenue	28,587,295	29,427,771
Others	10,473,252	8,633,084
Provision for Uncollectibles	(3,111,736)	(1,749,808)
Materials and Supplies	6,957,588	6,416,226
Prepayments and Other	6,384,879	5,518,309
Total Current Assets	300,548,854	274,904,628
OTHER ASSETS		
Regulatory Asset - Conservation	48,509,764	46,764,943
Net Pension Asset	-	3,823,476
Conservation Loan Fund Receivables	2,590,155	2,655,781
Total Other Assets	51,099,919	53,244,200
Total Assets	1,407,103,653	1,393,260,066
DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	39,469,454	9,077,586
Unamortized Loss on Refunding Bonds	-	791,640
Total Deferred Outflows	39,469,454	9,869,226
TOTAL ASSETS AND DEFERRED OUTFLOWS.....	\$1,446,573,107	\$1,403,129,292

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2016 Annual Report.

NET POSITION, LIABILITIES AND DEFERRED INFLOWS	2017	2016
NET POSITION		
Net Investment in Capital Assets	\$587,855,188	\$598,338,683
Restricted for:		
Wynoochee Reserve - State of Washington	2,581,794	2,555,980
Debt Service	6,752,085	7,425,835
Net Pension Asset	-	3,823,476
Unrestricted	255,022,995	230,515,652
TOTAL NET POSITION	852,212,062	842,659,626
LONG-TERM DEBT		
2010B Electric System Refunding Bonds	147,070,000	147,070,000
2010C Electric System Refunding Bonds	24,185,000	24,185,000
2013A Electric System Rev & Refunding Bonds	139,885,000	151,460,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
Total Bonded Indebtedness	346,760,000	358,335,000
Less: Unamortized Bond Premiums	18,148,369	19,681,894
Net Bonded Indebtedness	364,908,369	378,016,894
Line of Credit	80,250,000	65,250,000
Total Long-Term Debt	445,158,369	443,266,894
CURRENT LIABILITIES		
Salaries and Wages Payable	2,286,775	1,874,680
Taxes and Other Payables	10,648,456	11,760,588
Purchases and Transmission of Power Accrued	11,188,740	10,650,159
Interest Payable	1,532,443	1,585,485
Customers' Deposits	2,714,487	2,859,485
Current Portion of Long-Term Debt	11,575,000	12,730,000
Current Accrued Compensated Absences	1,075,771	1,058,072
Total Current Liabilities	41,021,672	42,518,469
LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,681,941	9,522,650
Net Pension Liability	34,177,293	-
Other Long Term Liabilities	14,033,787	13,125,264
Total Long Term Liabilities	57,893,021	22,647,914
TOTAL LIABILITIES	544,073,062	508,433,277
DEFERRED INFLOWS		
Deferred Inflow for Pensions	2,287,983	4,036,389
Rate Stabilization	48,000,000	48,000,000
Total Deferred Inflows	50,287,983	52,036,389
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	\$1,446,573,107	\$1,403,129,292

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 31, 2017 AND July 31, 2016

	July 2017	July 2016
OPERATING REVENUES		
Sales of Electric Energy	\$27,580,707	\$24,480,442
Other Operating Revenues	1,787,781	1,678,080
Click! Network Operating Revenues	2,248,498	2,251,346
Total Operating Revenue	<u>31,616,986</u>	<u>28,409,868</u>
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	3,048,365	4,177,542
Other Production Expense	432,720	427,591
Total Expense Power Produced	<u>3,481,085</u>	<u>4,605,133</u>
Purchased Power	12,195,002	10,694,678
Total Production Expense	<u>15,676,087</u>	<u>15,299,811</u>
Transmission Expense	2,591,951	2,668,293
Distribution Expense	2,539,529	3,166,078
Click! Network Commercial Operations Expense .	1,998,517	1,957,516
Customer Accounts Expense (CIS)	1,959,424	1,249,720
Conservation and Other Customer Assistance ...	1,151,954	1,001,775
Taxes	1,057,138	1,499,753
Depreciation	4,743,849	4,625,827
Administrative and General	2,208,061	2,091,270
Total Operating Expenses	<u>33,926,510</u>	<u>33,560,043</u>
OPERATING INCOME (LOSS)	<u>(2,309,524)</u>	<u>(5,150,175)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	256,605	221,148
Contribution to Family Need	(8,333)	(40,000)
Other Net Non-Op Revenues and Deductions	13,625	106,020
Interest on Long-Term Debt	(1,643,879)	(1,662,402)
Amort. of Debt Related Costs	124,051	(25,294)
Interest Charged to Construction	181,150	288,082
Total Non-Operating Revenues (Expenses) ..	<u>(1,076,781)</u>	<u>(1,112,446)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(3,386,305)	(6,262,621)
Capital Contributions		
Cash	265,180	408,202
Donated Fixed Assets	17,071	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,452,554)	(2,234,686)
Transfers from (to) Other Funds	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(\$5,227,055)</u>	<u>(\$7,759,552)</u>
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - July 31		

YEAR TO DATE		2017 OVER (UNDER) 2016	PERCENT CHANGE
July 31, 2017	July 31, 2016		
\$241,356,302	\$227,120,548	\$14,235,754	6.3%
11,357,375	10,843,834	513,541	4.7%
15,500,171	15,555,703	(55,532)	-0.4%
268,213,848	253,520,085	14,693,763	5.8%
15,726,262	15,492,111	234,151	1.5%
3,085,254	3,056,893	28,361	0.9%
18,811,516	18,549,004	262,512	1.4%
78,350,601	74,083,849	4,266,752	5.8%
97,162,117	92,632,853	4,529,264	4.9%
17,658,843	18,493,212	(834,369)	-4.5%
17,764,118	19,012,796	(1,248,678)	-6.6%
14,540,525	14,798,246	(257,721)	-1.7%
9,167,902	8,077,800	1,090,102	13.5%
7,784,298	6,899,667	884,631	12.8%
11,953,998	11,907,736	46,262	0.4%
33,390,464	32,409,937	980,527	3.0%
14,638,458	13,549,813	1,088,645	8.0%
224,060,723	217,782,060	6,278,663	2.9%
44,153,125	35,738,025	8,415,100	23.5%
2,487,158	2,233,557	253,601	11.4%
(58,333)	(280,000)	221,667	-79.2%
315,148	936,710	(621,562)	-66.4%
(11,201,182)	(11,374,095)	172,913	-1.5%
868,356	(177,055)	1,045,411	590.4%
865,919	2,365,068	(1,499,149)	-63.4%
(6,722,934)	(6,295,815)	(427,119)	6.8%
37,430,191	29,442,210	7,987,981	27.1%
10,892,781	3,102,323	7,790,458	251.1%
23,507	101,201	(77,694)	-76.8%
2,170,437	2,172,415	(1,978)	-0.1%
(20,300,547)	(18,089,639)	(2,210,908)	12.2%
-	(2,181)	2,181	-100.0%
30,216,369	16,726,329	13,490,040	80.7%
821,995,693	825,933,297	(3,937,604)	-0.5%
\$852,212,062	\$842,659,626	9,552,436	

These statements should be read in conjunction with the Management Discussion and Analysis in the June 2017 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS
July 31, 2017 AND July 31, 2016

	For the month of July 2017	For the month of July 2016
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$10,406,134	\$9,514,799
Commercial	2,065,998	1,988,066
General	9,065,433	8,619,286
Contract Industrial	1,915,907	1,828,736
Public Street and Highway Lighting	32,614	102,806
Sales to Other Electric Utilities	27,292	22,180
Total Sales to Customers	23,513,378	22,075,873
Bulk Power Sales	4,067,329	2,404,569
Total Sales of Electric Energy	27,580,707	24,480,442
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	595,990	492,188
Wheeling	785,417	811,213
Service Fees and Other	406,374	374,679
Telecommunications Revenue	2,248,498	2,251,346
Total Other Operating Revenues	4,036,279	3,929,426
 TOTAL OPERATING REVENUES	 \$31,616,986	 \$28,409,868
 BILLINGS (Number of Months Billed)		
Residential	152,892	148,485
Commercial	15,435	14,646
General	2,239	2,190
Contract Industrial	2	2
Public Streets and Highway Lighting	1,092	1,063
Sales to Other Utilities	1	1
 TOTAL BILLINGS	 171,661	 166,387

YEAR TO DATE		2017 OVER (UNDER) 2016	PERCENT CHANGE
July 31, 2017	July 31, 2016		
\$106,917,083	\$96,986,021	\$9,931,062	10.2%
17,476,938	16,583,295	893,643	5.4%
68,990,826	67,614,605	1,376,221	2.0%
12,498,210	12,276,286	221,924	1.8%
791,084	848,141	(57,057)	-6.7%
255,371	204,155	51,216	25.1%
206,929,512	194,512,503	12,417,009	6.4%
34,426,790	32,608,045	1,818,745	5.6%
241,356,302	227,120,548	14,235,754	6.3%
2,323,447	2,188,806	134,641	6.2%
5,887,164	5,784,712	102,452	1.8%
3,146,864	2,870,316	276,548	9.6%
15,500,071	15,555,703	(55,632)	-0.4%
26,857,546	26,399,537	458,009	1.7%
\$268,213,848	\$253,520,085	\$14,693,763	5.8%
1,580,611	1,551,799	28,812	1.9%
157,886	155,111	2,775	1.8%
26,189	26,591	(402)	-1.5%
20	20	-	0.0%
9,536	9,337	199	2.1%
10	10	-	0.0%
1,774,252	1,742,868	31,384	1.8%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

GROSS GENERATION REPORT - July 31, 2017 AND July 31, 2016

	For the month of July 2017	For the month of July 2016
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	23,887,000	16,121,000
Generated - Alder	14,895,000	9,703,000
TOTAL NISQUALLY	<u>38,782,000</u>	<u>25,824,000</u>
Generated - Cushman No. 1	4,701,000	1,016,000
Generated - Cushman No. 2	6,628,000	1,246,000
TOTAL CUSHMAN	<u>11,329,000</u>	<u>2,262,000</u>
Generated - Mossyrock	50,861,000	47,710,000
Generated - Mayfield	29,851,000	28,251,000
TOTAL COWLITZ	<u>80,712,000</u>	<u>75,961,000</u>
Generated - Wynoochee	<u>1,047,000</u>	<u>106,000</u>
Generated - Hood Street	<u>-</u>	<u>183,900</u>
Tacoma's Share of Priest Rapids	<u>2,396,000</u>	<u>2,081,000</u>
Tacoma's Share of GCPHA	<u>47,187,000</u>	<u>42,810,000</u>
TOTAL KWH GENERATED - TACOMA SYSTEM	181,453,000	149,227,900
Purchased Power		
BPA Slice Contract	188,947,000	168,652,000
BPA Block Contract	113,765,000	112,089,000
Interchange Net	(128,542,000)	(77,495,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	<u>355,623,000</u>	<u>352,473,900</u>
Losses	4,250,613	2,503,461
Baldi Replacement	17,360	119,783
Ketron	15,481	14,035
NT PC Mutuals Schedules	(1,671,000)	(1,710,000)
PC Mutual Inadvertent	(159,089)	(194,902)
TACOMA SYSTEM FIRM LOAD	<u>358,076,365</u>	<u>353,206,277</u>
Maximum Kilowatts (System Firm Load)	586,892	636,744
Average Kilowatts (System Firm Load)	481,285	474,654
PIERCE COUNTY MUTUAL LOAD	96,817,000	94,943,000
KWH BILLED		
Residential Sales	108,093,308	107,275,099
Commercial Sales	22,445,077	22,408,657
General	142,649,684	145,964,415
Contract Industrial	42,880,380	43,663,860
Public Street and Highway Lighting	626,118	2,320,077
Sales to Other Electric Utilities	475,200	408,600
TOTAL FIRM	<u>317,169,767</u>	<u>322,040,708</u>
Bulk Power Sales	<u>150,705,000</u>	<u>101,144,000</u>
TOTAL KWH BILLED	<u><u>467,874,767</u></u>	<u><u>423,184,708</u></u>

YEAR TO DATE		2017 OVER (UNDER) 2016	PERCENT CHANGE
July 31 2017	July 31 2016		
252,353,000	233,817,000	18,536,000	7.9%
138,221,000	158,536,000	(20,315,000)	-12.8%
390,574,000	392,353,000	(1,779,000)	-0.5%
75,379,000	82,635,000	(7,256,000)	-8.8%
117,290,000	139,121,000	(21,831,000)	-15.7%
192,669,000	221,756,000	(29,087,000)	-13.1%
838,950,000	774,934,000	64,016,000	8.3%
582,068,000	493,883,000	88,185,000	17.9%
1,421,018,000	1,268,817,000	152,201,000	12.0%
19,340,000	21,084,000	(1,744,000)	-8.3%
767,700	1,940,800	(1,173,100)	-60.4%
19,042,000	17,116,000	1,926,000	11.3%
145,756,000	172,045,000	(26,289,000)	-15.3%
2,189,166,700	2,095,111,800	94,054,900	4.5%
1,566,852,000	1,432,204,000	134,648,000	9.4%
1,045,958,000	912,066,000	133,892,000	14.7%
(1,895,018,000)	(1,653,369,000)	(241,649,000)	0.0%
2,906,958,700	2,786,012,800	120,945,900	4.3%
25,120,786	28,084,754	(2,963,968)	-10.6%
524,974	1,258,665	(733,691)	-58.3%
181,371	138,286	43,085	31.2%
(18,830,000)	(16,890,000)	(1,940,000)	0.0%
23,690,633	622,675	23,067,958	0.0%
2,937,646,464	2,799,227,180	138,419,284	4.9%
896,442,000	824,789,000	71,653,000	8.7%
1,262,692,999	1,159,134,511	103,558,488	8.9%
198,446,680	190,022,549	8,424,131	4.4%
1,139,434,190	1,143,479,917	(4,045,727)	-0.4%
287,833,200	288,539,960	(706,760)	-0.2%
17,278,147	19,232,589	(1,954,442)	-10.2%
4,689,900	3,810,600	879,300	23.1%
2,910,375,116	2,804,220,127	106,154,989	3.8%
2,100,546,000	1,853,634,000	246,912,000	13.3%
5,010,921,116	4,657,854,127	353,066,989	7.6%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
CLICK! NETWORK
COMMERCIAL OPERATIONS
OPERATIONAL SUMMARY - July 31, 2017

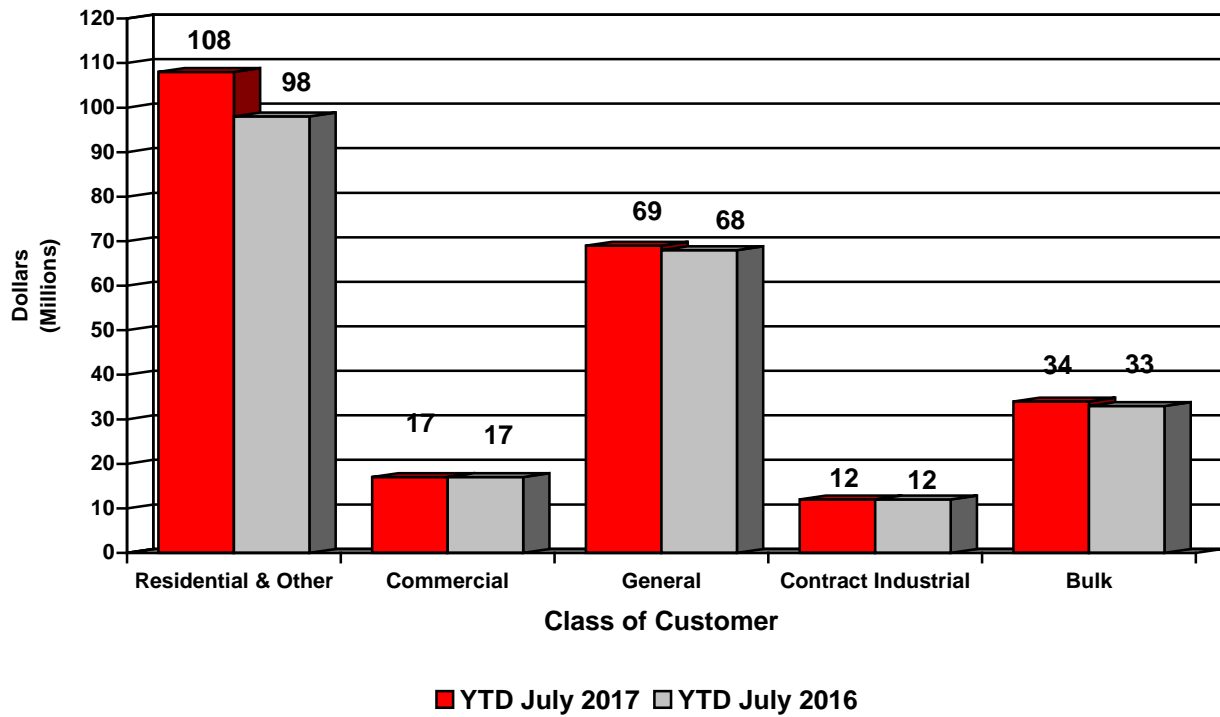
	July 2017	July 2016
TELECOMMUNICATIONS REVENUE		
CATV	\$1,514,080	\$1,528,134
Broadband	89,573	95,907
ISP	608,322	586,518
Interdepartmental	36,523	40,787
Total Operating Revenue	<u>2,248,498</u>	<u>2,251,346</u>
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	262,817	287,342
General Expense	30,688	34,272
Contract Services	1,051,731	921,556
IS & Intergovernmental Services	147,790	124,146
Fleet Services	630	209
Capitalized A & G Expense	(2,869)	(13,752)
Total Admin. & Sales Expense	<u>1,490,787</u>	<u>1,353,773</u>
Operations & Maintenance Expense ...		
Salaries & Wages Expense	414,460	474,719
General Expense	38,682	47,152
Contract Services	26,998	48,828
IS & Intergovernmental Services	4,340	3,189
Fleet Services	32,788	41,970
New Connect Capital	(9,538)	(12,115)
Total Oper. & Maint. Expense	<u>507,730</u>	<u>603,743</u>
Total Telecommunications Expense .	1,998,517	1,957,516
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	249,981	293,830
Taxes	310,182	310,054
Depreciation and Amortization	<u>204,382</u>	<u>220,625</u>
	514,564	530,679
NET OPERATING REVENUES (EXPENSES)	<u>(264,583)</u>	<u>(236,849)</u>

YEAR TO DATE			
July 31 2017	July 31 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$10,410,849	\$10,593,509	(\$182,660)	-1.7%
635,880	684,657	(48,777)	-7.1%
4,286,451	4,082,678	203,773	5.0%
166,991	194,859	(27,868)	-14.3%
<u>15,500,171</u>	<u>15,555,703</u>	<u>(55,532)</u>	-0.4%
1,875,114	1,923,099	(47,985)	-2.5%
242,489	369,997	(127,508)	-34.5%
7,672,315	7,651,793	20,522	0.3%
939,687	825,943	113,744	13.8%
4,207	1,987	2,220	111.7%
(21,145)	(24,976)	3,831	15.3%
<u>10,712,667</u>	<u>10,747,843</u>	<u>(35,176)</u>	-0.3%
3,146,413	3,223,853	(77,440)	-2.4%
227,893	242,385	(14,492)	-6.0%
306,531	383,291	(76,760)	-20.0%
29,549	20,813	8,736	42.0%
177,065	249,928	(72,863)	-29.2%
(59,593)	(69,867)	10,274	14.7%
<u>3,827,858</u>	<u>4,050,403</u>	<u>(222,545)</u>	-5.5%
14,540,525	14,798,246	(257,721)	-1.7%
959,646	757,457	202,189	26.7%
2,146,120	2,136,082	10,038	0.5%
1,437,269	1,575,843	(138,574)	-8.8%
<u>3,583,389</u>	<u>3,711,925</u>	<u>(128,536)</u>	
<u>(2,623,743)</u>	<u>(2,954,468)</u>	<u>330,725</u>	11.2%

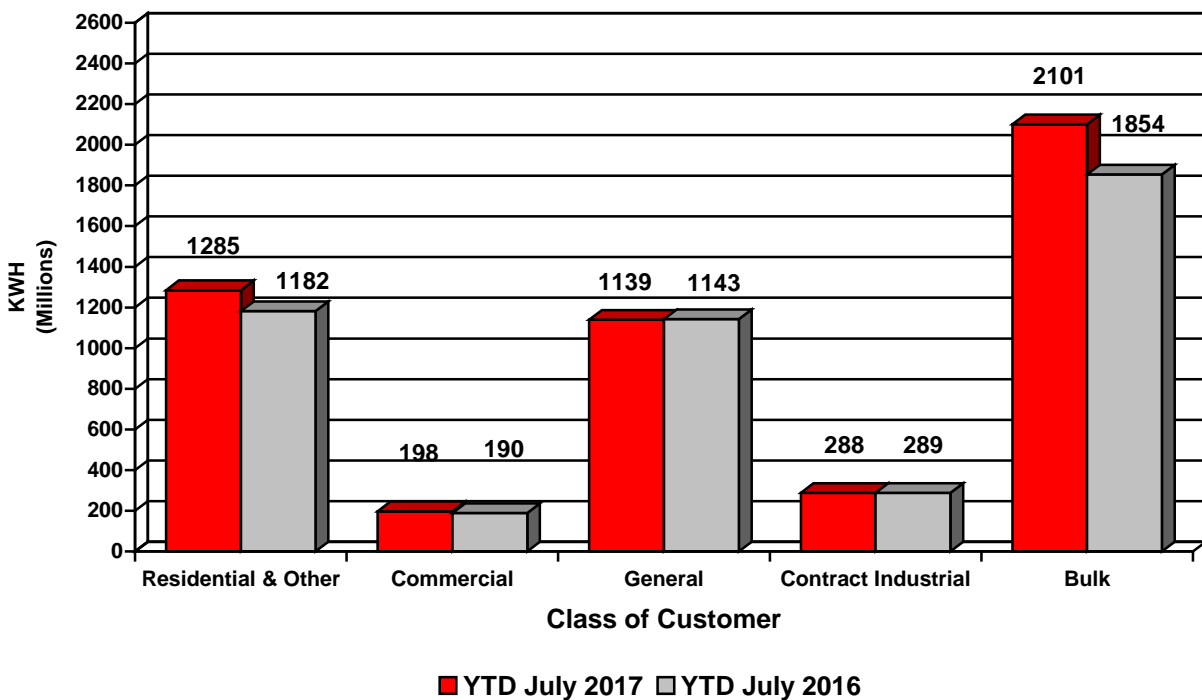
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Supplemental Data

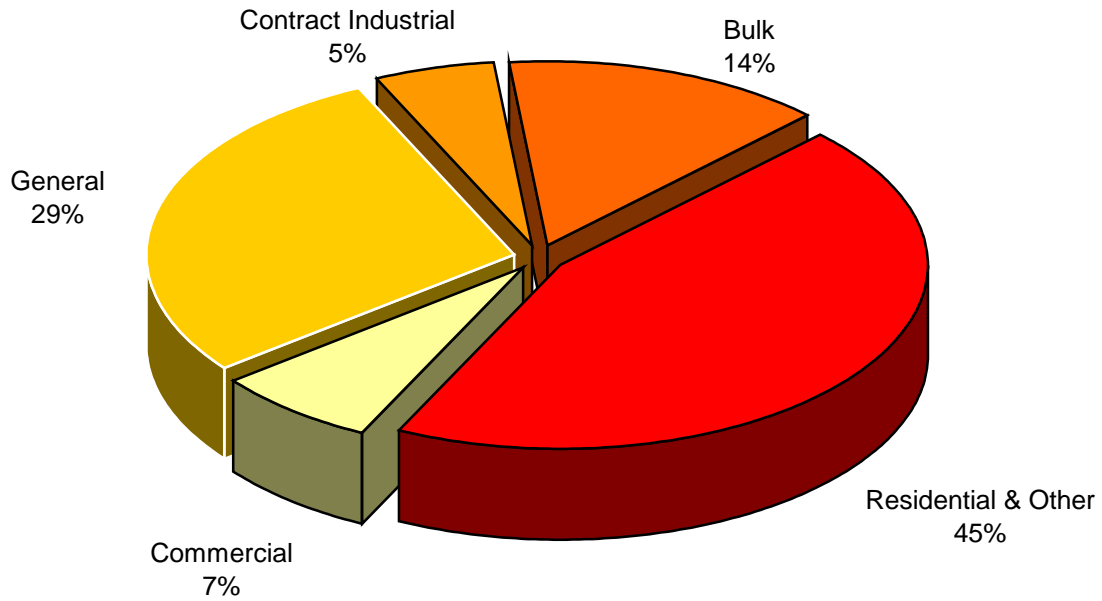
SALES OF ELECTRIC ENERGY
Year to Date - July 2017 & 2016



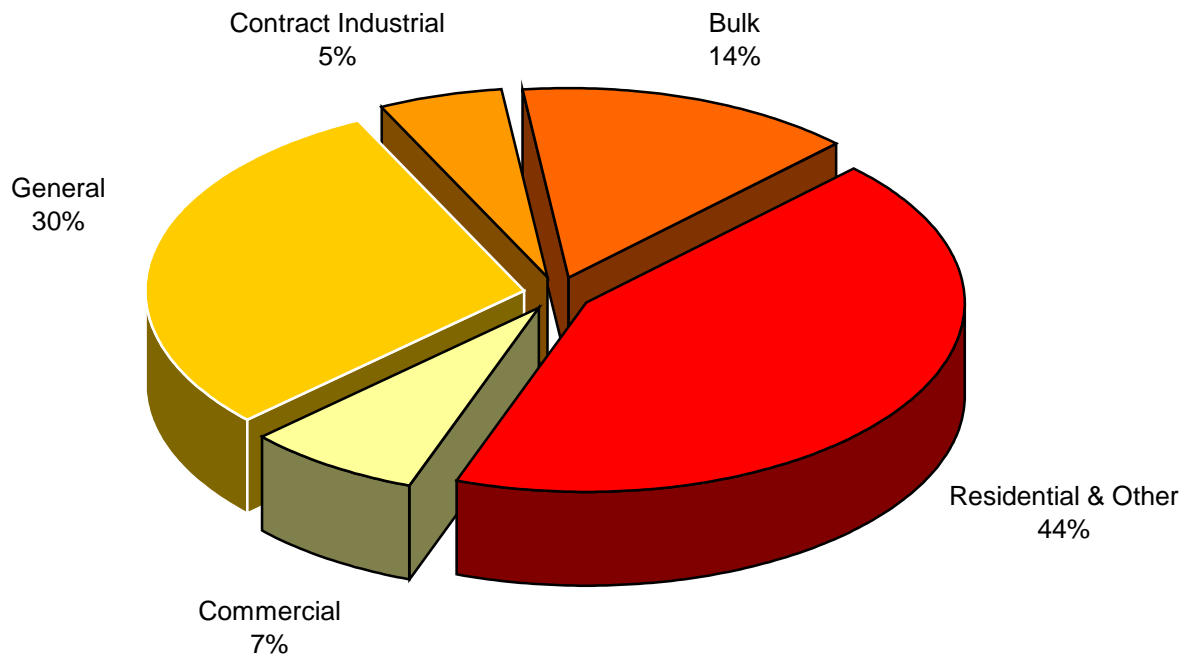
TOTAL POWER BILLED
Year to Date - July 2017 & 2016



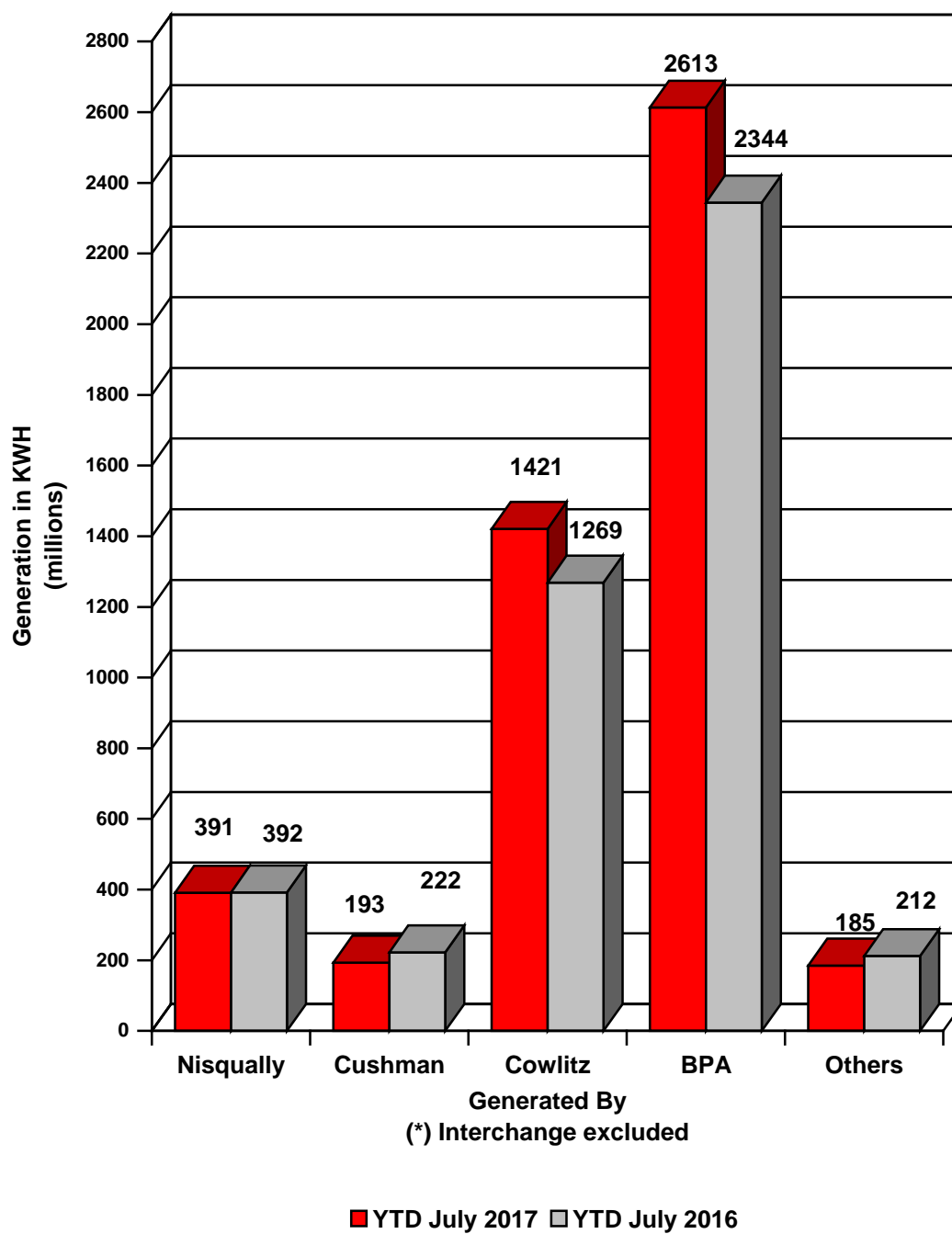
SALES OF ELECTRIC ENERGY
Year to Date - July 2017 (\$241,356,302)



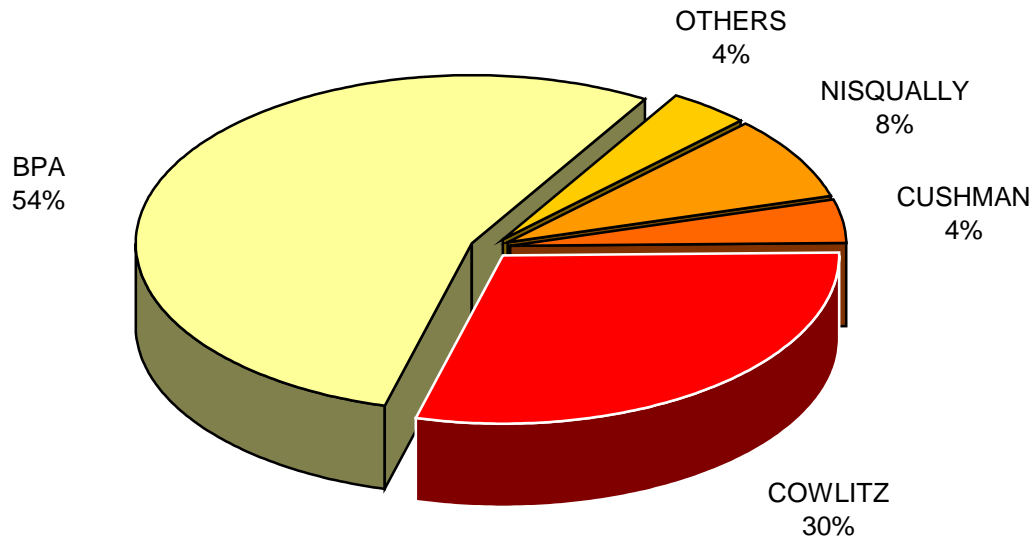
SALES OF ELECTRIC ENERGY
Year to Date - July 2016 (\$227,120,548)



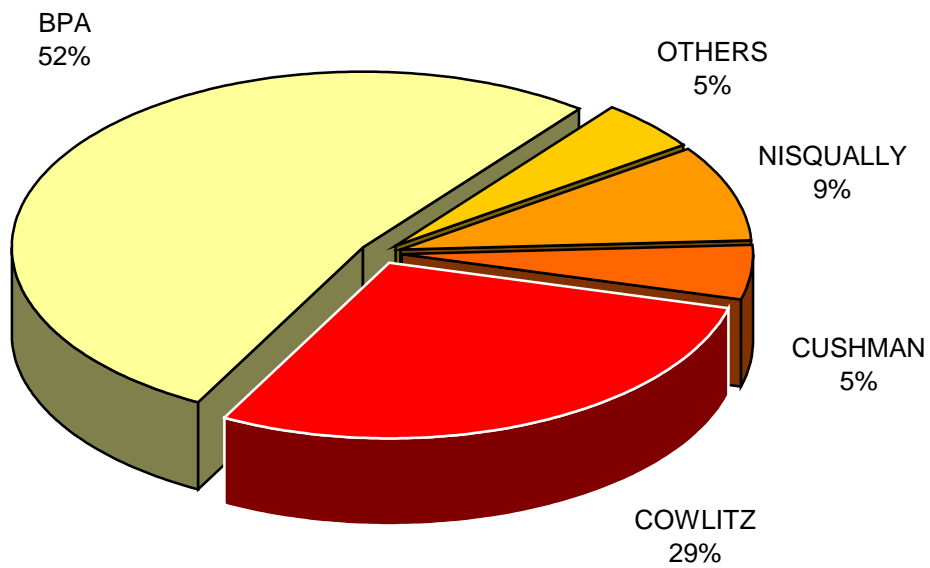
POWER SOURCES (*) **Year to Date July 2017 & 2016**



POWER SOURCES (*)
Year to Date - July 2017

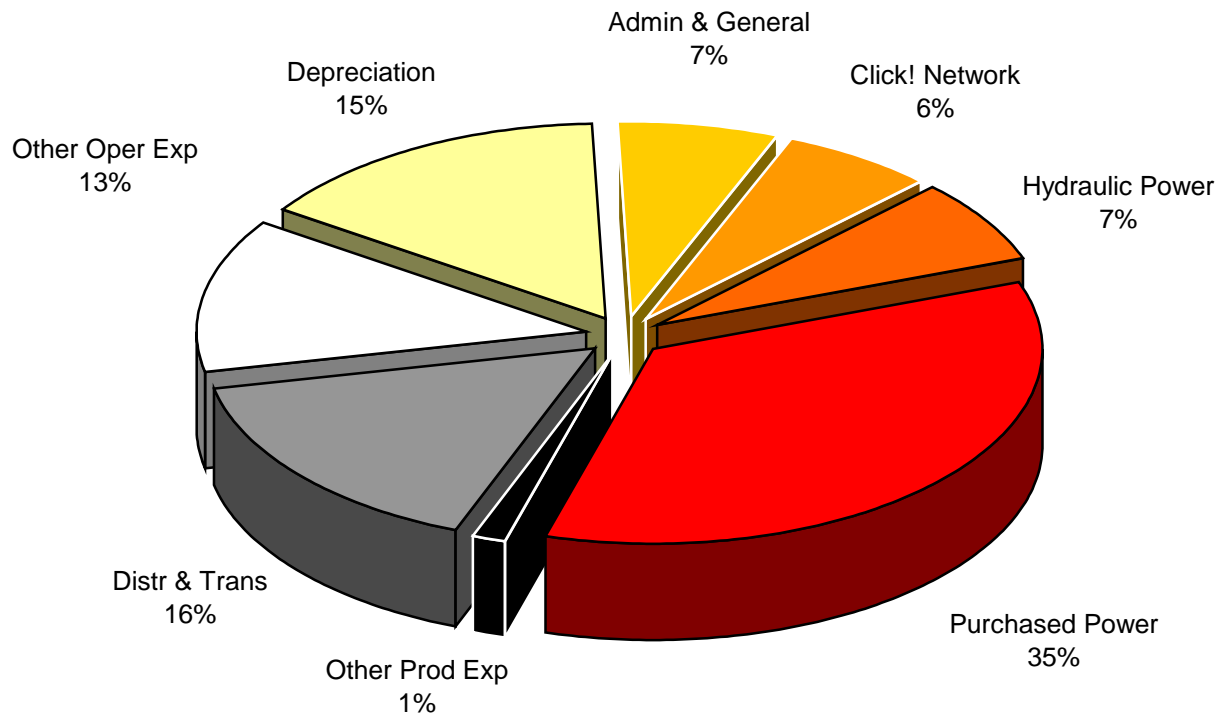


POWER SOURCES (*)
Year to Date - July 2016

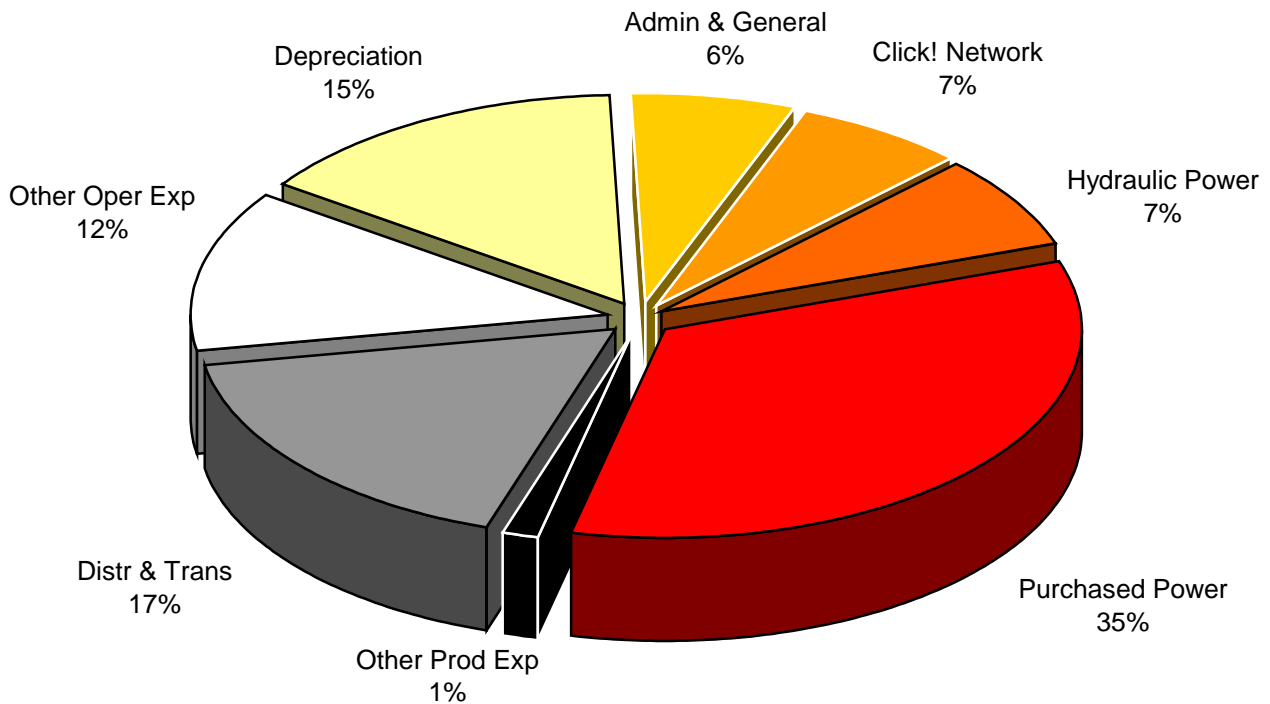


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - July 2017 (\$224,060,723)



TOTAL OPERATING EXPENSES *
Year to Date - July 2016 (\$217,782,060)



* City Gross Earnings Taxes are not included in Total Operating Expenses.



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JULY

TACOMA RAIL

2017

**FINANCIAL
REPORT**



Public Utility Board

MONIQUE TRUDNOWSKI
Chair

WOODROW JONES
Vice-Chair

KAREN LARKIN
Secretary

BRYAN FLINT
Member

MARK PATTERSON
Member

WILLIAM A. GAINES
Director of Utilities/CEO

DALE KING
Rail Superintendent

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES, BELT LINE DIVISION
Doing Business As

TACOMA RAIL

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Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA RAIL

STATEMENTS OF NET POSITION

ASSETS	JULY 31,	
	2017	2016
CAPITAL ASSETS		
Road and Equipment Property	\$44,810,611	\$41,312,879
Less Accumulated Depreciation	(19,801,835)	(18,234,236)
Total	25,008,776	23,078,643
Construction Work in Progress	2,873,035	1,951,447
Net Capital Assets	27,881,811	25,030,090
 SPECIAL FUNDS		
Cash and Equity in Pooled Investments:		
Debt Service Funds	-	21,701
Total Special Funds	-	21,701
 CURRENT ASSETS		
Cash & Equity in Pooled Investments	11,002,128	11,390,660
Customer Accounts Receivable	2,722,190	3,262,897
Prepayments	1,551,546	1,667,544
Materials and Supplies Inventory.....	1,042,055	989,769
Total Current Assets	16,317,919	17,310,870
 TOTAL ASSETS	\$44,199,730	\$42,362,661

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2016 Annual Report.

	JULY 31, 2017	JULY 31, 2016
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets.....	\$21,600,630	\$18,412,716
Restricted for:		
Debt Service	-	21,701
Unrestricted	8,688,338	9,833,254
TOTAL NET POSITION	30,288,968	28,267,671
LONG-TERM DEBT, NET OF CURRENT MATURITIES		
2006 Senior Lien Revenue Bond	-	255,008
State Loans.....	5,471,877	5,583,372
Total Long-Term Liabilities	5,471,877	5,838,380
CURRENT LIABILITIES		
Accounts Payable	2,954,234	532,584
Wages Payable	262,273	212,363
Unemployment and other Tax Payables	269,454	282,954
Volume Incentive Payable	1	2,708,334
Current Portion of Long Term Debt	809,304	778,996
Interest Payable	-	3,417
Current Portion of Compensated Absences	111,516	113,117
Total Current Liabilities	4,406,782	4,631,765
LONG-TERM LIABILITIES		
On the Job Injury Reserve	787,536	730,432
Long Term Portion of Compensated Absences	1,003,644	1,018,056
Other Long-Term Liabilities	2,240,923	1,876,357
Total Long-Term Liabilities	4,032,103	3,624,845
TOTAL LIABILITIES	13,910,762	14,094,990
TOTAL NET POSITION AND LIABILITIES	\$44,199,730	\$42,362,661

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	JULY 2017	JULY 2016
OPERATING REVENUES		
Switching Revenues	\$2,105,081	\$2,356,748
Demurrage and Other Operating Revenues	292,074	313,549
Total Operating Revenues	2,397,155	2,670,297
OPERATING EXPENSES		
Maintenance of Way and Structures		
Salaries and Wages	66,247	98,683
Supplies and Expense	73,211	134,715
Mechanical		
Salaries and Wages	156,697	176,671
Supplies and Expense	304,235	253,845
Operations		
Salaries and Wages	781,159	873,673
Supplies and Expense	105,901	169,202
Administration		
Salaries and Wages	201,275	246,170
Supplies and Expense	218,759	401,134
Taxes - State	38,012	39,095
Depreciation	136,277	122,577
Total Operating Expenses	2,081,773	2,515,765
Net Operating Income	315,382	154,532
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	10,012	9,376
Miscellaneous	83,499	91,201
Interest Expense	-	(3,417)
Total Non-Operating Revenues	93,511	97,160
Contributions - Grants	-	-
Total Contributions	-	-
Transfers		
City of Tacoma Gross Earnings Tax	(223,186)	(232,586)
CHANGE IN NET POSITION	<u>\$185,707</u>	<u>\$19,106</u>
TOTAL NET POSITION - JANUARY 1		
TOTAL NET POSITION - JULY 31		

These statements should be read in conjunction with the Management Discussion and Analysis in the June 2017 Financial Report.

YEAR TO DATE			
JULY 31, 2017	JULY 31, 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$16,285,895	\$15,863,833	\$422,062	2.7%
2,327,946	2,031,275	296,671	14.6%
18,613,841	17,895,108	718,733	4.0%
565,996	605,167	(39,171)	-6.5%
607,493	1,073,328	(465,835)	-43.4%
1,149,971	1,178,850	(28,879)	-2.4%
1,877,904	1,533,189	344,715	22.5%
5,901,667	5,450,532	451,135	8.3%
968,676	816,204	152,472	18.7%
1,389,943	1,400,609	(10,666)	-0.8%
2,842,311	2,840,988	1,323	0.0%
265,959	254,660	11,299	4.4%
954,542	859,899	94,643	11.0%
16,524,462	16,013,426	511,036	3.2%
2,089,379	1,881,682	207,697	11.0%
79,699	76,020	3,679	4.8%
610,989	775,187	(164,198)	-21.2%
(6)	(9,373)	9,367	-99.9%
690,682	841,834	(151,152)	-18.0%
36,254	-	36,254	100.0%
36,254	-	36,254	100.0%
(1,561,245)	(1,497,506)	(63,739)	4.3%
1,255,070	1,226,010	\$29,060	2.4%
29,033,898	27,041,661		
\$30,288,968	\$28,267,671		

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA RAIL

SUMMARY OF SWITCHING REVENUES AND SWITCHING ACTIVITIES
JULY 31, 2017 AND JULY 31, 2016

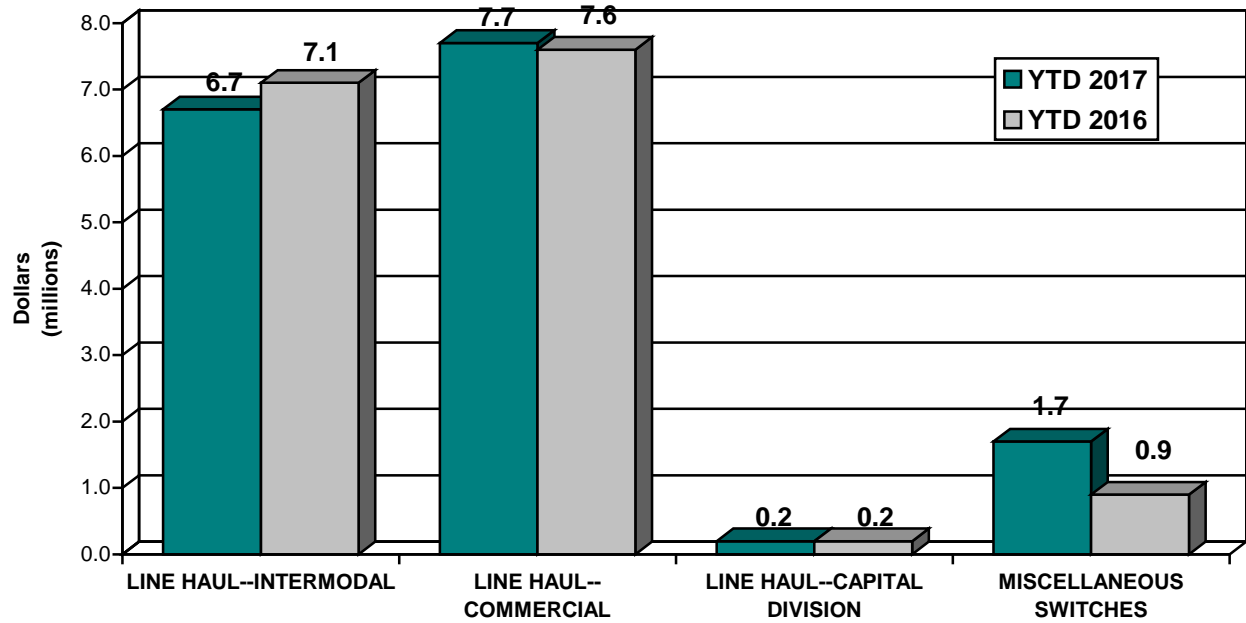
	July 2017	July 2016
SWITCHING REVENUES		
LINE HAULS--INTERMODAL	\$763,158	\$1,047,913
LINE HAULS--COMMERCIAL	1,023,775	1,162,000
LINE HAULS--CAPITAL DIVISION	21,703	23,395
MISCELLANEOUS SWITCHES	296,445	123,440
	<u>296,445</u>	<u>123,440</u>
TOTAL SWITCHING REVENUES	<u>\$2,105,081</u>	<u>\$2,356,748</u>
 SWITCHING ACTIVITIES (CARS)		
LINE HAULS--INTERMODAL	4,392	6,174
LINE HAULS--COMMERCIAL	2,439	2,948
LINE HAULS--CAPITAL DIVISION	52	56
MISCELLANEOUS SWITCHES	918	319
	<u>918</u>	<u>319</u>
TOTAL CARS SWITCHED	<u>7,801</u>	<u>9,497</u>

* The Summary of Switching Activities (Cars) includes an update to allocations for 2016.

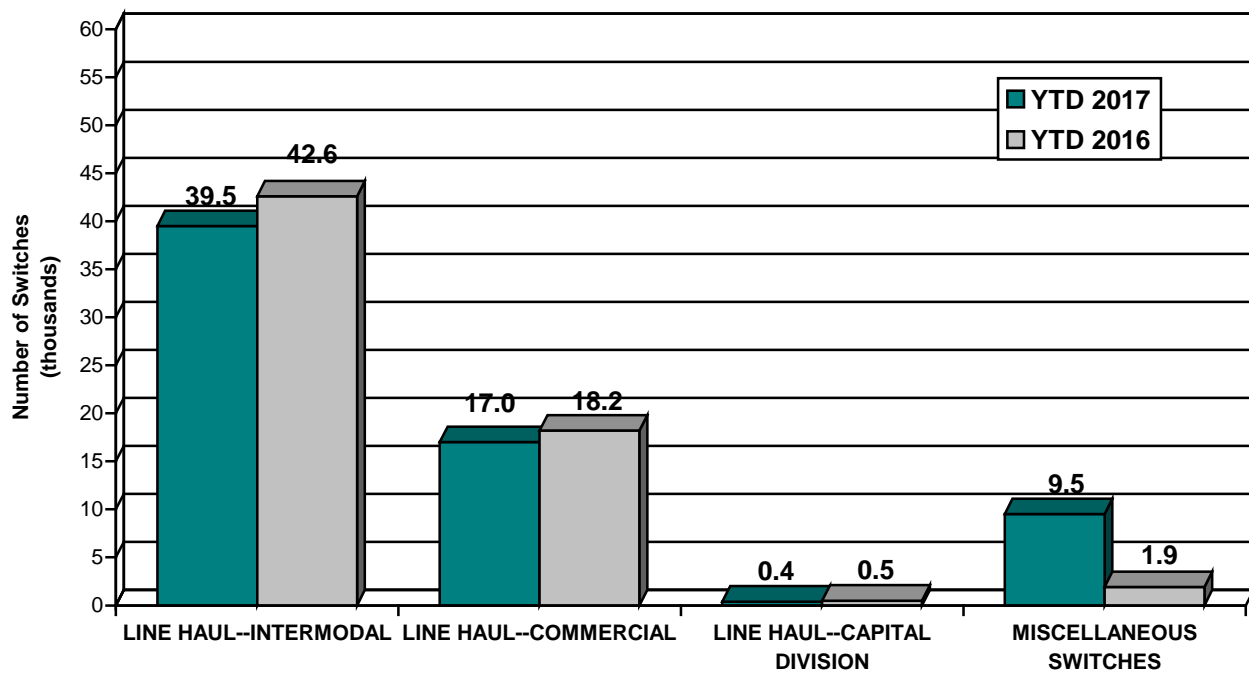
YEAR TO DATE			
July 31, 2017	July 31, 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$6,726,555	\$7,112,024	(\$385,469)	-5.4%
7,698,145	7,629,945	68,200	0.9%
158,597	219,338	(60,741)	-27.7%
1,702,598	902,526	800,072	88.6%
<u>\$16,285,895</u>	<u>\$15,863,833</u>	<u>\$422,062</u>	<u>2.7%</u>
39,488	42,595	(3,107)	-7.3%
16,981	18,229	(1,248)	-6.8%
380	515	(135)	-26.2%
9,483	1,875	7,608	405.8%
<u>66,332</u>	<u>63,214</u>	<u>3,118</u>	<u>4.9%</u>

Supplemental Data

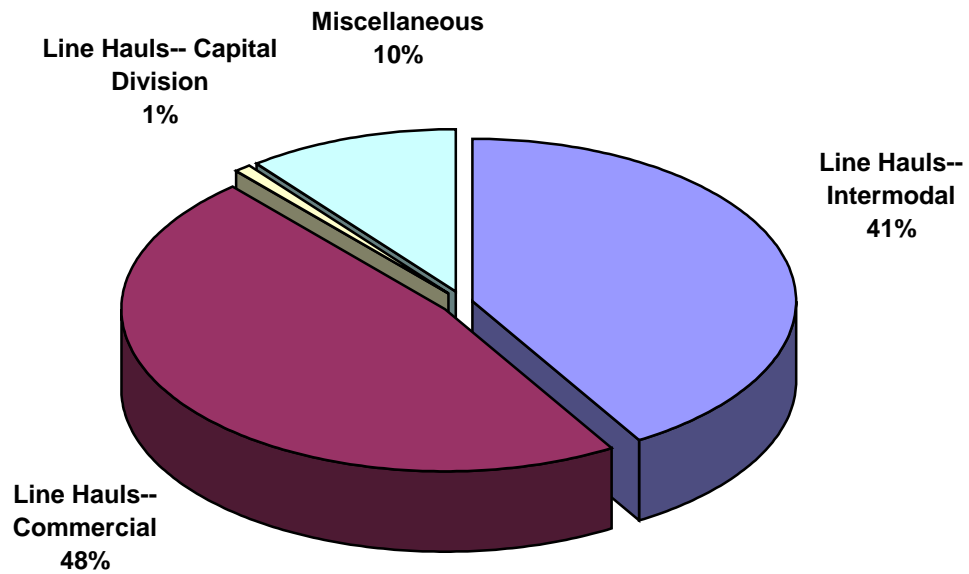
SWITCHING REVENUES
Year to Date - July 2017 & 2016



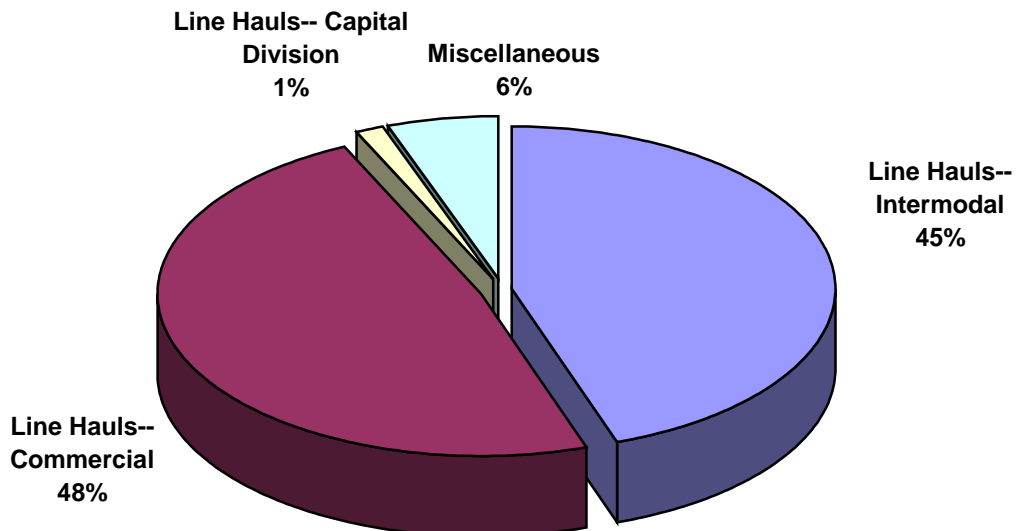
SWITCHING ACTIVITIES
Year to Date - July 2017 & 2016



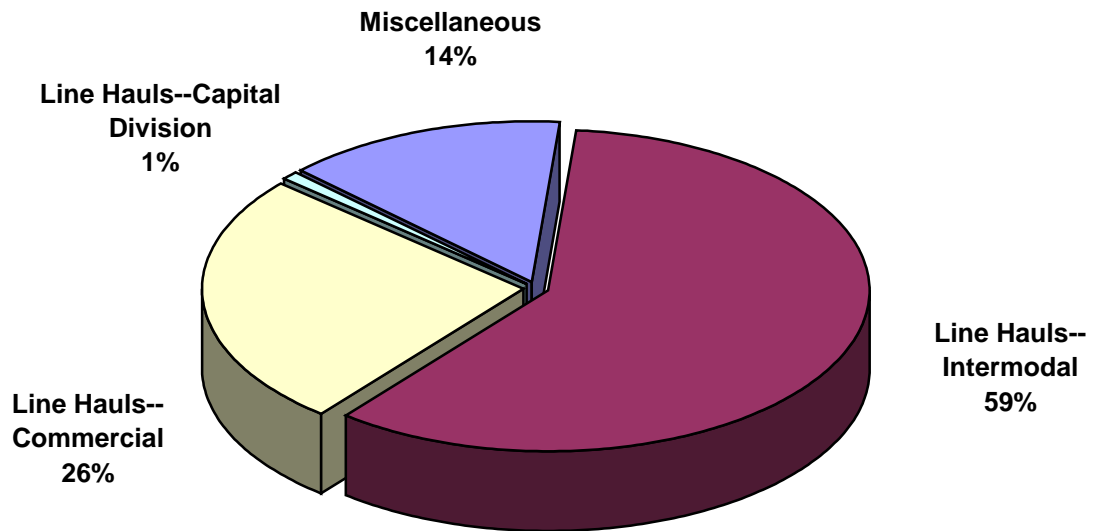
SWITCHING REVENUES
Year to Date - July 2017 (\$16,285,895)



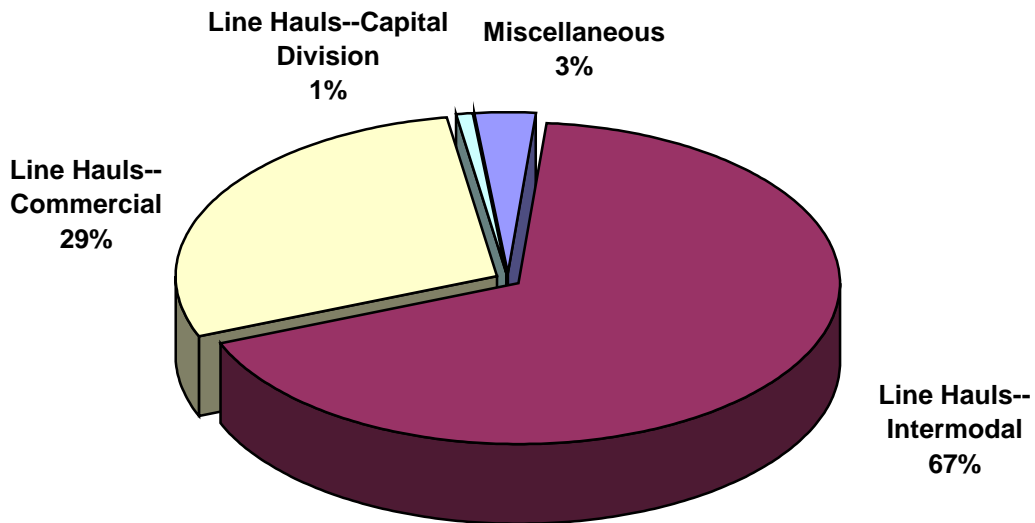
SWITCHING REVENUES
Year to Date - July 2016 (\$15,863,833)



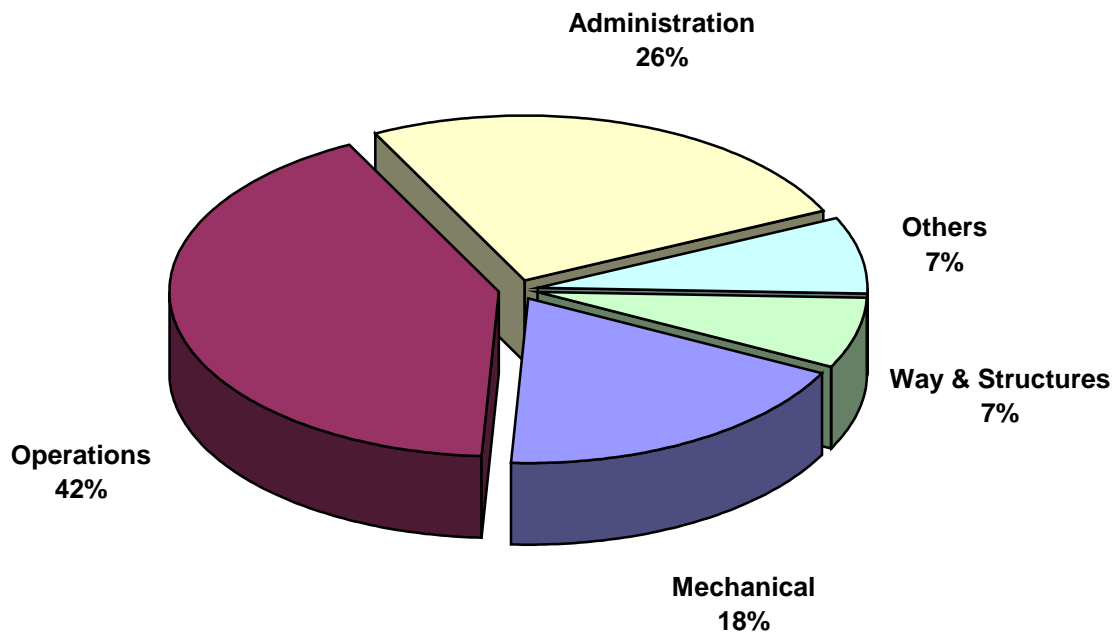
SWITCHING ACTIVITY
Year to Date - July 2017 (66,332 cars)



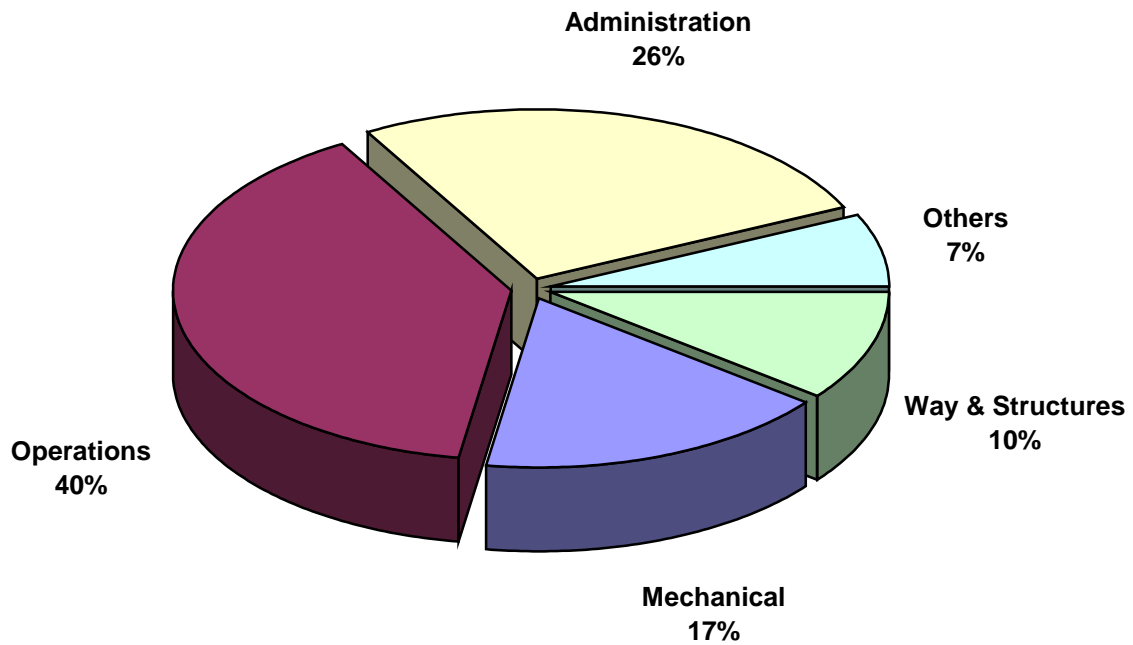
SWITCHING ACTIVITY
Year to Date - July 2016 (63,214 cars)



TOTAL OPERATING EXPENSES
Year to Date - July 2017 (\$16,524,462)



TOTAL OPERATING EXPENSES
Year to Date - July 2016 (\$16,013,426)





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JULY

TACOMA WATER

2017

**FINANCIAL
REPORT**



Public Utility Board

MONIQUE TRUDNOWSKI

Chair

WOODROW JONES

Vice-Chair

KAREN LARKIN

Secretary

BRYAN FLINT

Member

MARK PATTERSON

Member

WILLIAM A. GAINES
Director of Utilities/CEO

Chris McMeen
Heather Pennington
Acting Water Division Superintendents

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES
CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES, WATER DIVISION
Doing Business As

TACOMA WATER

TABLE OF CONTENTS

Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.

STATEMENTS OF NET POSITION	1 - 2
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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF NET POSITION - JULY 31, 2017 AND JULY 31, 2016

ASSETS AND DEFERRED OUTFLOWS	2017	2016
UTILITY PLANT		
Water Plant in Service	\$1,075,715,591	\$1,062,138,722
Less Depreciation and Amortization	(229,024,335)	(208,150,759)
Total	846,691,256	853,987,963
Construction Work in Progress	27,036,355	24,910,612
Net Utility Plant	873,727,611	878,898,575
NON-UTILITY PROPERTY	492,963	492,963
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010 Construction Fund	20,526,300	25,655,517
2010 RWSS Construction Fund	-	7,254
2013 Construction Fund	15,805,221	19,803,608
Regional Water Supply System Operating Fund	1,247,891	793,342
Provision for Debt Payment	10,855,041	8,275,270
Customer Water Main Deposits	3,245,080	3,162,235
Water Supply Forum Fund	409,046	275,662
Special Bond Reserves	22,102,406	22,099,513
Water Customer Contribution Fund	(27,492)	(179,646)
Water Capital Reserves	29,755,362	27,435,097
Water System Development Charge	60,729,724	57,420,209
Total Restricted Assets	164,648,579	164,748,061
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	52,187,466	50,581,942
Customers' Deposits	326,768	331,460
Receivables:		
Customers	5,362,626	5,833,676
Accrued Unbilled Revenues	4,797,144	4,935,000
Others	756,130	667,858
BABs Interest Subsidies	640,128	640,128
Provision for Uncollectible Accounts	(545,856)	(383,826)
Materials and Supplies	2,289,524	2,489,094
Prepayments	1,046,488	861,928
Total Current Assets	66,860,418	65,957,260
TOTAL ASSETS	1,105,729,571	1,110,096,859
OTHER ASSETS		
Regulatory Assets - Public Fire Protection Fees	856,083	1,683,655
Regulatory Assets - Surcharges	1,498,782	1,615,940
Net Pension Asset	-	881,279
Total Other Assets	2,354,865	4,180,874
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Losses on Refunding Bonds	1,464,966	1,746,288
Deferred Outflows for Pensions	8,994,103	2,092,307
Total Deferred Outflows	10,459,069	3,838,595
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$1,118,543,505	\$1,118,116,328

These statements should be read in conjunction with the Notes to Financial statements contained in the 2016 Annual Report.

NET POSITION, LIABILITIES AND DEFERRED INFLOWS	2017	2016
NET POSITION		
Net Investment in Capital Assets	\$439,047,156	\$439,484,228
Restricted for:		
Water Capital Reserves	24,166,964	21,367,694
Water System Development Charge	25,154,277	21,844,762
Debt Service Funds	6,836,635	4,674,833
Pension Asset	-	881,279
Unrestricted	54,794,032	56,074,207
TOTAL NET POSITION	549,999,064	544,327,003
LONG-TERM DEBT		
Revenue Bonds Outstanding:		
2005 Water Revenue Bonds Refunding	5,000	5,000
2009 Water Revenue Bonds	76,775,000	76,775,000
2010 Water Revenue Bonds Refunding	25,825,000	26,395,000
2010 Water Revenue Bonds	74,985,000	74,985,000
2013 Water Revenue Bonds Refunding	74,355,000	74,355,000
2015 Water Refunding Bonds, Series A	13,800,000	16,645,000
2015 Water Refunding Bonds, Series B	-	1,785,000
2010 RWSS Revenue Bonds, Series A	2,245,000	2,525,000
2010 RWSS Revenue Bonds, Series B	44,245,000	44,245,000
2013 RWSS Refunding Bonds	60,165,000	60,910,000
Total Outstanding Revenue Bonds	372,400,000	378,625,000
Plus: Unamortized Bond Premium	12,720,206	14,311,374
Net Outstanding Revenue Bonds	385,120,206	392,936,374
PWTF Pre-Construction Loans	640,609	800,782
PWTF Construction Loans	19,370,627	21,907,224
State Drinking Water Loans	69,844,046	75,893,293
Total Long-Term Debt	474,975,488	491,537,673
CURRENT LIABILITIES		
Salaries and Wages Payable	510,833	421,393
Purchases and Contracts Payable	770,321	654,140
Interest Expense Accrued	4,018,406	3,600,437
Taxes Accrued	1,593,727	1,551,613
Customers' and Contractors' Deposits	357,876	353,060
Current Portion of Long-Term Debt	13,334,372	10,738,011
Other Current Liabilities	2,255,070	2,210,850
Current Accrued Compensated Absences	269,819	260,047
Total Current Liabilities	23,110,424	19,789,551
LONG-TERM LIABILITIES		
Muckleshoot Agreements	6,762,451	6,943,806
Customer Advances for Construction	5,297,974	4,660,070
Unearned Revenue	7,555,607	7,923,170
Other Long-Term Liabilities	4,529,150	4,088,829
Pension Liability	7,788,151	-
Long-Term Accrued Compensated Absences	2,428,375	2,340,426
Total Long-Term Liabilities	34,361,708	25,956,301
TOTAL LIABILITIES	532,447,620	537,283,525
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization	35,575,447	35,575,447
Deferred Inflows for Pensions	521,374	930,353
Total Deferred Inflows	36,096,821	36,505,800
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS .	\$1,118,543,505	\$1,118,116,328

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JULY 31, 2017 AND JULY 31, 2016

	JULY 2017	JULY 2016
OPERATING REVENUES		
Sales of Water	\$6,913,776	\$6,593,333
Other Operating Revenues	820,061	749,122
Contract Resource Obligation Revenue	429,311	341,838
Total Operating Revenues	<u>8,163,148</u>	<u>7,684,293</u>
OPERATING EXPENSES		
Production Expense:		
Source of Supply	581,839	559,453
Water Treatment	613,945	666,179
Total Production Expense	<u>1,195,784</u>	<u>1,225,632</u>
Power Pumping Expense	18,425	51,981
Transmission and Storage Expense	188,107	159,324
Distribution Expense	1,198,009	1,112,315
Customer Accounting and Consumer Service ...	388,423	380,029
Taxes	350,435	324,438
Depreciation	2,000,108	1,986,105
Administrative and General	969,541	812,696
Total Operating Expenses	<u>6,308,832</u>	<u>6,052,520</u>
OPERATING INCOME (LOSS)	1,854,316	1,631,773
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	212,819	181,154
Miscellaneous	150,229	(2,218)
Interest on Long-Term Debt	(1,332,427)	(1,318,003)
Interest on Long-Term Debt BABs Sub	(337,155)	(320,064)
Amortization Of Debt Premium	111,548	105,802
Interest Charged to Construction	47,845	40,330
Total Non-Operating Revenues (Expenses)	<u>(1,147,141)</u>	<u>(1,312,999)</u>
Net Income (Loss) Before Capital Contributions and Transfers	707,175	318,774
Capital Contributions:		
Cash	545,375	189,672
Donated Fixed Assets	9,544	383,994
Federal BABs Subsidies	320,064	320,064
Transfers:		
City Gross Earnings Tax	(608,585)	(613,348)
CHANGE IN NET POSITION	<u>\$973,573</u>	<u>\$599,156</u>
NET POSITION - JANUARY 1		
TOTAL NET POSITION - JULY 31		

YEAR TO DATE		2017 OVER (UNDER) 2016	PERCENT CHANGE
JULY 31 2017	JULY 31 2016		
\$ 40,991,376	\$ 41,840,241	(\$848,865)	-2.0%
6,008,919	5,879,097	129,822	2.2%
2,671,681	2,949,846	(278,165)	-9.4%
49,671,976	50,669,184	(997,208)	-2.0%
4,122,039	4,057,931	64,108	1.6%
3,760,444	3,642,671	117,773	3.2%
7,882,483	7,700,602	181,881	2.4%
303,250	403,786	(100,536)	-24.9%
1,442,760	1,737,205	(294,445)	-16.9%
8,290,203	7,475,131	815,072	10.9%
2,856,854	2,673,127	183,727	6.9%
2,501,649	2,501,366	283	0.0%
14,026,709	13,902,710	123,999	0.9%
6,214,177	5,672,349	541,828	9.6%
43,518,085	42,066,276	1,451,809	3.5%
6,153,891	8,602,908	(2,449,017)	-28.5%
2,031,955	1,661,315	370,640	22.3%
1,019,545	4,178	1,015,367	24302.7%
(9,565,335)	(9,325,184)	(240,151)	2.6%
(2,130,025)	(2,131,626)	1,601	-0.1%
780,836	740,614	40,222	5.4%
273,481	272,317	1,164	0.4%
(7,589,543)	(8,778,386)	1,188,843	-13.5%
(1,435,652)	(175,478)	(1,260,174)	718.1%
3,280,586	2,695,802	584,784	21.7%
114,852	770,235	(655,383)	-85.1%
2,130,025	2,131,626	(1,601)	-0.1%
(3,742,973)	(3,597,005)	(145,968)	4.1%
346,838	1,825,180	(1,478,342)	-81.0%
549,652,226	542,501,823	7,150,403	
\$549,999,064	\$544,327,003	\$5,672,061	1.0%

These statements should be read in conjunction with the Management Discussion and Analysis in the June 2017 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF REVENUES AND BILLINGS
JULY 31, 2017 AND JULY 31, 2016

	JULY 2017	JULY 2016
SALES OF WATER		
Residential and Domestic	\$4,449,533	\$4,323,172
Commercial and Industrial	1,610,170	1,377,229
Special Rate	530,377	489,641
Sales to Other Utilities	323,696	403,291
Total	<u>\$6,913,776</u>	<u>\$6,593,333</u>

BILLINGS (NUMBER OF MONTHS BILLED)

Residential and Domestic	83,892	81,304
Commercial and Industrial	5,857	5,545
Sales to Other Utilities	17	17
Total	<u>89,766</u>	<u>86,866</u>

YEAR TO DATE		2017 OVER (UNDER) 2016	PERCENT CHANGE
JULY 31 2017	JULY 31 2016		
\$27,114,401	\$27,186,969	(\$72,568)	-0.3%
8,975,598	9,197,613	(222,015)	-2.4%
3,504,956	3,312,100	192,856	5.8%
1,396,421	2,143,559	(747,138)	-34.9%
<u>\$40,991,376</u>	<u>\$41,840,241</u>	<u>(\$848,865)</u>	-2.0%
660,436	648,639	11,797	1.8%
45,402	43,834	1,568	3.6%
<u>119</u>	<u>119</u>	<u>-</u>	0.0%
<u>705,957</u>	<u>692,592</u>	<u>13,365</u>	1.9%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA WATER

SUMMARY OF WATER BILLED
JULY 31, 2017 AND JULY 31, 2016

	MILLION GALLONS, TOTAL			
	JULY 2017	JULY 2016	YEAR TO DATE	
			JULY 31 2017	JULY 31 2016
WATER BILLED				
Residential and Domestic	768.15	797.80	3,998.81	4,334.11
Commercial and Industrial	331.00	288.82	1,521.09	1,711.95
Special Rate	474.23	452.09	3,181.58	3,059.19
Sales to Other Utilities	90.55	116.44	440.37	732.13
	<u>1,663.93</u>	<u>1,655.15</u>	<u>9,141.85</u>	<u>9,837.38</u>

NOTE: For conversion purposes, there are approximately 748 gallons in every 100 cubic feet of water.

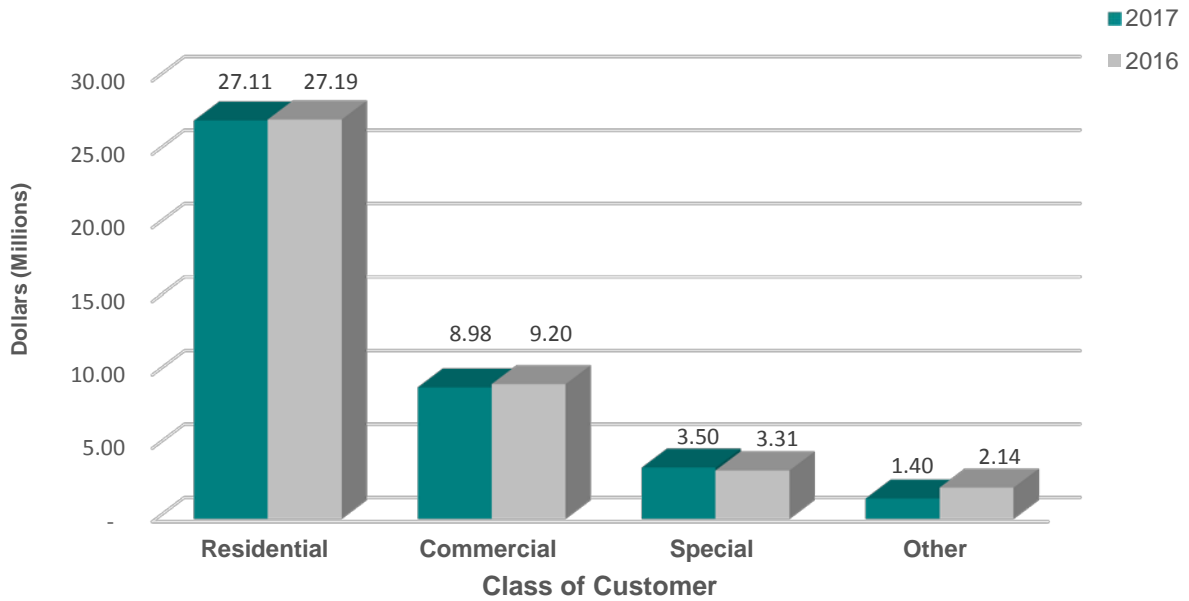
MILLION GALLONS, AVERAGE DAILY

JULY 2017	JULY 2016
24.78	25.74
10.68	9.32
15.30	14.58
2.92	3.76
53.68	53.40

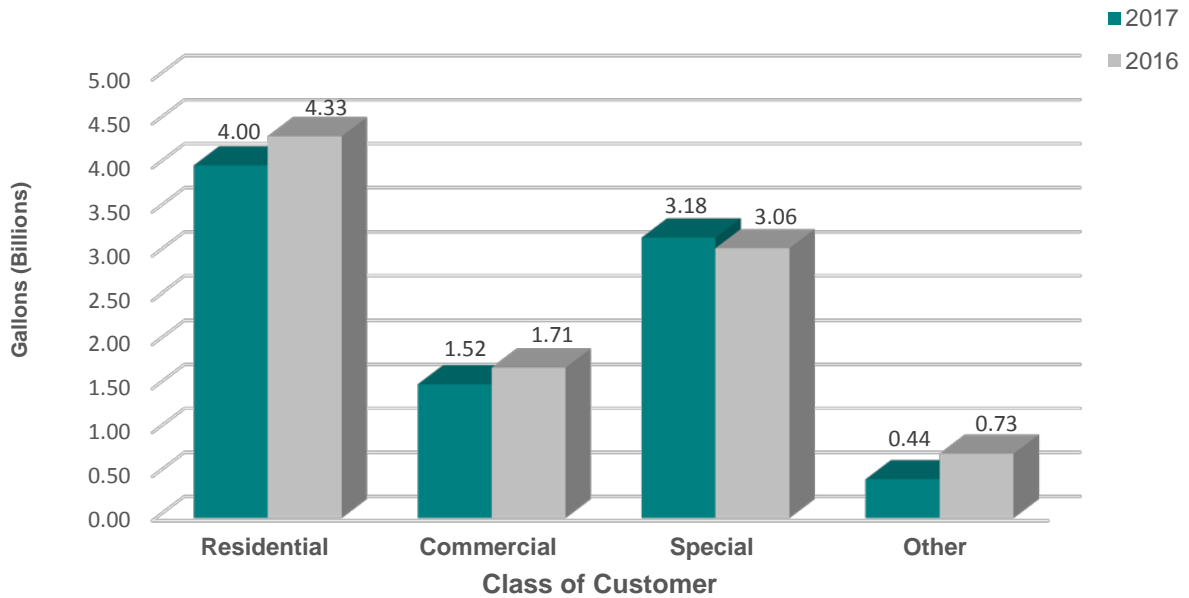
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Supplemental Data

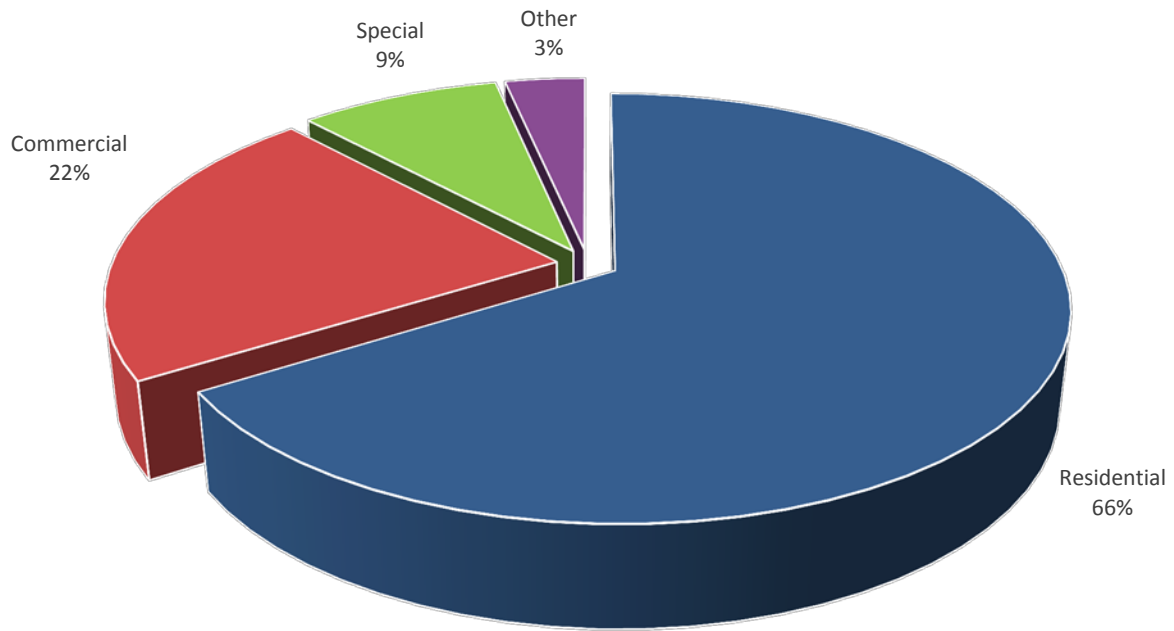
WATER SALES Year to Date - July 2017 & 2016



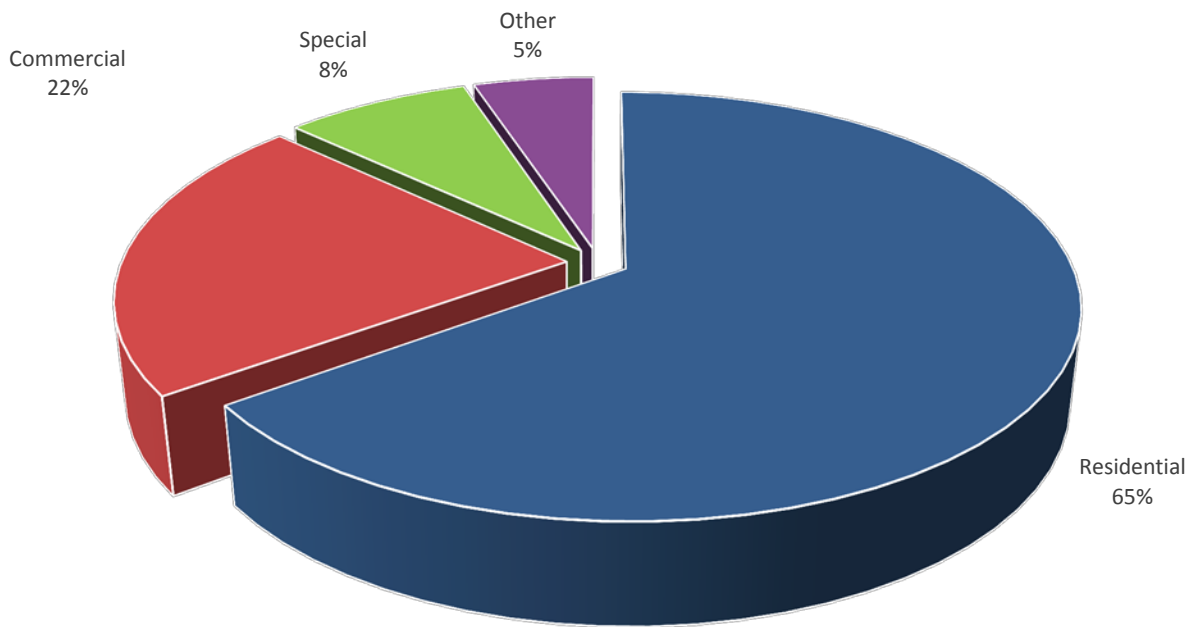
WATER CONSUMPTION Year to Date - July 2017 & 2016



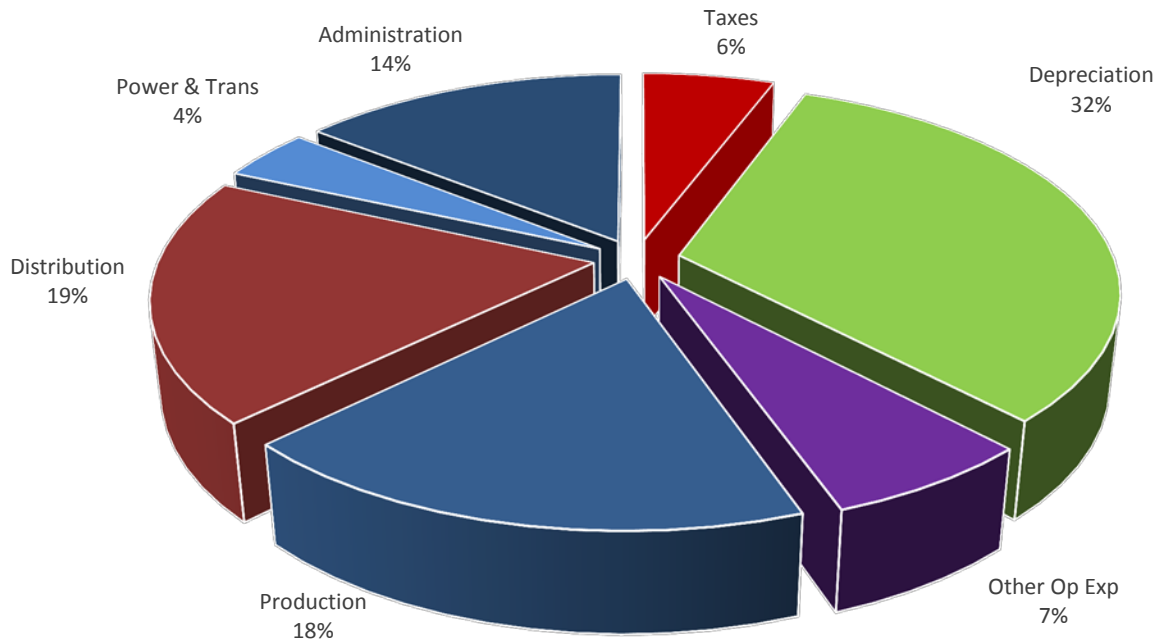
WATER SALES
Year to Date - July 2017
(\$40,991,376)



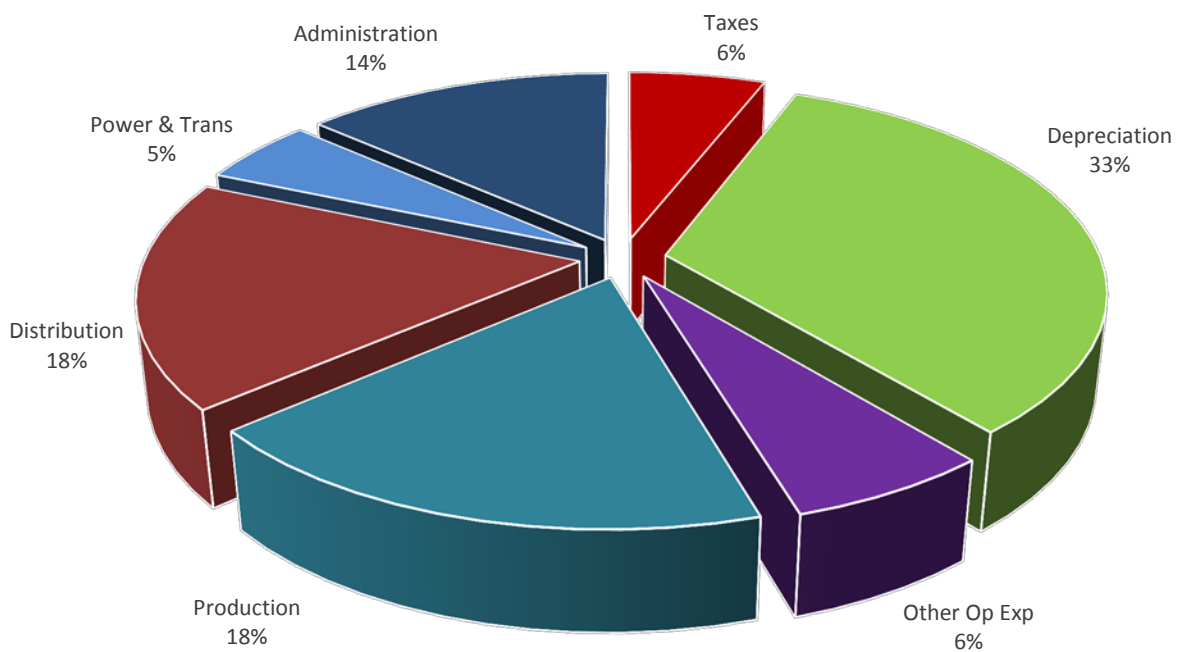
WATER SALES
Year to Date - July 2016
(\$41,840,241)



TOTAL OPERATING EXPENSES
Year to Date - July 2017
(\$43,518,085)



TOTAL OPERATING EXPENSES
Year to Date - July 2016
(\$42,066,276)





The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.