



RESOLUTION NO. U-11003

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
agreements.

5 WHEREAS the City of Tacoma, Department of Public Utilities, requested
6 bids/proposals for the purchase of certain materials, supplies, equipment and/or
7 the furnishing of certain services, or proposes to purchase off an agreement
8 previously competitively bid and entered into by another governmental entity, or
9 for the sales of surplus, or desires to increase and/or extend an existing
10 agreement, all as explained by the attached Exhibit "A," which by this reference
11 is incorporated herein, and
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13 WHEREAS in response thereto, bids/proposals (or prices from another
14 governmental agreement) were received, all as evidenced by Exhibit "A," and
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16 WHEREAS the Board of Contracts and Awards and/or the requesting
17 division have heretofore made their recommendations, which may include
18 waiver of the formal competitive bid process because it was not practicable to
19 follow said process, or because the purchase is from a single source, or there is
20 an emergency that requires such waiver, and/or waiver of minor deviations, and
21 in the case of sale of surplus, a declaration of surplus has been made certifying
22 that said items are no longer essential for continued effective utility service, as
23 explained in Exhibit "A," and
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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:

R. C. Powell
Chief Deputy City Attorney

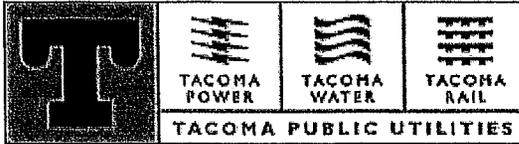
Chair

Secretary

Clerk

Adopted _____

RESOLUTION NO.: U-11003
 ITEM NO.: #1
 MEETING DATE: April 25, 2018



TO: Board of Contracts and Awards
FROM: Chris Robinson, Tacoma Power Superintendent/COO
 James Blessing, Power Engineer IV, Tacoma Power/Transmission & Distribution
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP
 Coordinator, and Jessica Tonka, Finance/Purchasing
SUBJECT: Potlatch Transmission Lines Henderson Bay Crossing Rebuild
 Request for Bids Specification No. PT18-0031F – April 11, 2018
DATE: March 28, 2018

RECOMMENDATION SUMMARY:

Tacoma Power recommends a contract be awarded to Magnum Power, LLC, Castle Rock, WA, in the amount of \$3,171,105.64, plus any applicable taxes. This contract is for the removal and replacement of foundations, structures and conductors associated with the Potlatch Transmission Lines Henderson Bay Crossing near Purdy, WA.

BACKGROUND:

Tacoma Power is replacing a section of transmission line that currently crosses Henderson Bay and Burley Lagoon to connect Tacoma to the Cushman Hydro Project. The project will install a new marine foundation, structure and conductors. The existing transmission line foundations, structures and conductor will be removed. These components were part of the original Cushman Hydroelectric Project dedication by President Calvin Coolidge in 1926.

In support of this project, Resolution No. U-10950 item #1, received Board approval on August 23, 2017, whereupon TransAmerica Power Products Inc. was awarded the contract to procure five galvanized steel poles. Additionally, Resolution No. U-10977 item #5, received Board approval on December 13, 2017, whereupon Rognlin's Inc. was awarded the contract for site work and inland foundations in preparation of this project.

ALTERNATIVES:

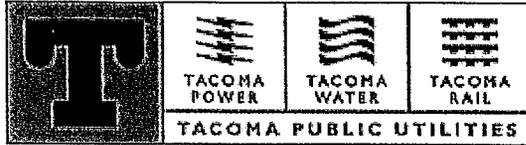
No viable alternative exist.

COMPETITIVE SOLICITATION:

Request for Bids Specification No. PT18-0031F was opened March 20, 2018. Eight companies were invited to bid from the "2018 Tacoma Power Prequalified Electrical Contractors List" per RCW 35.92.350. Five submittals were received.

The Small Business Enterprise (SBE) goal for the project was set at 0% by the SBE Program Coordinator.

The low bid from Michels Corporation was deemed non-responsive because the submittal did not meet the City of Tacoma Bid Specification permitting requirements to meet the Federal U.S. Army Corps of Engineers Nationwide, the National Marine Fisheries Service (NFMS) and the U.S. Fish and Wildlife Service (USFWS) Letters of Concurrence incorporated therein and the State Hydraulic Approval Permit terms and special conditions included in the bid specification (Appendix -Project Environmental Compliance Notebook). These require the use of barge mounted equipment to perform the work and also limits the number and function of temporary piling that the contractor is allowed to install during construction. Michel's submitted work plan which includes installing additional piles for fixed platforms for supporting cranes. In addition, Michels' bid was adjusted based on their unit prices submitted to correct mathematical errors. The table below reflects the amount of the total award.



<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal</u> <u>Amount</u>	<u>Evaluated</u> <u>Submittal</u>
Michels Corporation	Neenah, WI	\$3,077,406.92	\$3,077,406.92
Magnum Power, LLC	Castle Rock, WA	\$3,171,105.64	\$3,171,105.64
Potelco, Inc.	Sumner, WA	\$3,326,307.00	\$3,326,307.00
Sturgeon Electric Company, Inc.	Troutdale, OR	\$4,776,074.99	\$4,776,074.99
Wilson Construction Company	Canby, OR	\$5,680,950.99	\$5,680,950.99

Pre-bid Estimate: \$3,000,000

The recommended award is 5.7 percent above the pre-bid estimate.

CONTRACT HISTORY: New contract

SUSTAINABILITY: Not Applicable

SBE/LEAP COMPLIANCE: The Small Business Enterprise (SBE) goal for this project is 0 percent. The scope of work for this project has been identified as highly specialized. The SBE Office has determined that there are no capable SBE(s) available in the SBE program per memorandum dated January 31, 2018. The Local Employment and Apprenticeship Training Program (LEAP) goal is 600 hours.

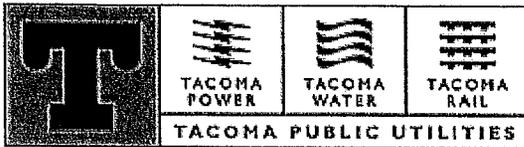
FISCAL IMPACT:
EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700-17CON Power 2017 Bond Fund	PWR-00934-03-02-03		\$3,171,105.64
TOTAL			\$3,171,105.64

REVENUES: N/A

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$3,171,105.64



ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

A handwritten signature in black ink that reads 'Chris Robinson'.

Chris Robinson, Power Superintendent/COO

APPROVED:

A handwritten signature in black ink that reads 'Linda McCrea'.

Linda McCrea, Interim Director of Utilities/CEO

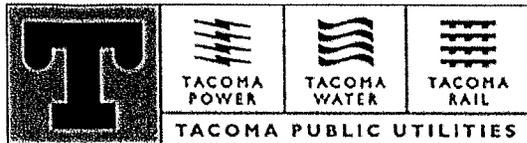
BID TABULATION:

PROPOSAL Rank	MICHELS				MAGNUM				POTELCO				STURGEON				WILSON			
	Unit	Bid Quantity	Unit Price	Total Bid	Unit Price	Total Bid	Unit Price	Total Bid	Unit Price	Total Bid	Unit Price	Total Bid	Unit Price	Total Bid	Unit Price	Total Bid	Unit Price	Total Bid		
Bid Item #1	LS			\$ 139,055.00		\$ 158,220.68		\$ 166,060.00		\$ 241,865.74		\$ 328,584.36								
Bid Item #2																				
	a	LS		\$ 103,170.00		\$ 275,013.22		\$ 149,970.00		\$ 392,081.92		\$ 79,754.52								
	b	LS		\$ 13,168.00		\$ 31,807.09		\$ 77,680.00		\$ 155,841.32		\$ 127,607.24								
	c	LS		\$ 34,017.00		\$ 271,077.09		\$ 87,595.00		\$ 128,999.73		\$ 47,852.71								
	d	LS		\$ 46,807.00		\$ 23,192.67		\$ 104,945.00		\$ 110,435.53		\$ 71,515.61								
Bid Item #3																				
	a	LS		\$ 347,064.00		\$ 352,941.18		\$ 366,275.00		\$ 322,784.77		\$ 440,392.73								
	b	LS		\$ 3,359.00		\$ 58,823.53		\$ 40,885.00		\$ 14,107.73		\$ 3,943.82								
	c	LS		\$ 3,359.00		\$ 58,823.53		\$ 25,445.00		\$ 4,514.47		\$ 3,943.82								
	d	LS		\$ 16,794.00		\$ 70,588.24		\$ 43,130.00		\$ 18,509.34		\$ 19,719.08								
	e	LS		\$ 42,432.00		\$ 39,758.86		\$ 71,640.00		\$ 67,108.21		\$ 43,381.97								
Bid Item #4																				
	a	LS		\$ 1,344.00		\$ 5,301.18		\$ 17,920.00		\$ 12,489.67		\$ 39,438.15								
	b	LS		\$ 1,344.00		\$ 2,650.59		\$ 17,920.00		\$ 12,106.31		\$ 39,438.15								
Bid Item #5																				
	a	LS		\$ 57,424.00		\$ 39,719.10		\$ 65,105.00		\$ 273,682.13		\$ 103,680.87								
	b	LS		\$ 148,042.00		\$ 92,768.63		\$ 214,219.00		\$ 269,306.69		\$ 92,022.36								
	c	LS		\$ 393,225.00		\$ 160,799.08		\$ 298,377.00		\$ 255,067.69		\$ 361,516.42								
	d	LS		\$ 76,531.00		\$ 23,855.32		\$ 64,356.00		\$ 56,788.64		\$ 95,705.44								
	e	LS		\$ 111,957.00		\$ 129,758.86		\$ 32,925.00		\$ 73,453.55		\$ 51,620.88								
Bid Item #6																				
Bid Item #7																				
	a	LS		\$ 105,716.00		\$ 11,927.66		\$ 88,504.00		\$ 276,175.40		\$ 189,417.00								
	b	LS		\$ 6,859.00		\$ 259,729.51		\$ 88,505.00		\$ 62,483.59		\$ -								
Bid Item #8																				
	a	LS		\$ 29,991.00		\$ 39,719.10		\$ 37,408.00		\$ 210,162.71		\$ 219,324.93								
	b	LS		\$ 154,900.00		\$ 103,072.99		\$ 193,072.00		\$ 269,306.69		\$ 813,496.08								
	c	LS		\$ 330,271.00		\$ 119,276.59		\$ 291,545.00		\$ 255,067.69		\$ 92,022.36								
	d	LS		\$ 65,771.00		\$ 39,758.86		\$ 36,033.00		\$ 62,206.01		\$ 1,079,307.10								
	e	LS		\$ 134,348.00		\$ 108,618.32		\$ 11,924.00		\$ 62,996.19		\$ 115,424.50								
Bid Item #9																				
Bid Item #10																				
Bid Item #11	LS	24	\$ 274.33	\$ 6,583.92	\$ 1,500.00	\$ 36,000.00	\$ 500.00	\$ 12,000.00	\$ 490.49	\$ 11,774.76	\$ 1,850.00	\$ 44,400.00								
Bid Item #12	LS			\$ 200,000.00		\$ 200,000.00		\$ 200,000.00		\$ 200,000.00		\$ 200,000.00								
Sub Total				\$ 3,677,406.97		\$ 3,171,105.64		\$ 3,326,307.00		\$ 4,776,074.99		\$ 5,680,950.99								
Sales Tax				\$ 310,818.10	10.1%	\$ 320,281.67	8.5%	\$ 282,736.10	10.1%	\$ 482,383.57	10.1%	\$ 573,776.05								
Total w/Tax				\$ 3,988,225.07		\$ 3,491,387.31		\$ 3,609,043.10		\$ 5,258,458.56		\$ 6,254,727.04								

RESOLUTION NO.: U-11003

ITEM NO.: #2

MEETING DATE: APRIL 25, 2018



TO: Board of Contracts and Awards

FROM: Chris Robinson, Power Superintendent, Tacoma Power
Chris Mattson, Generation Manager, Tacoma Power
Eric Russell, Resource Lands Coordinator, Generation/Natural Resources

COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP Coordinator, Keith Underwood/Natural Resources, and Kimberly Ward/ Finance-Purchasing

SUBJECT: 2018 Peterman Hill Commercial Timber Thinning
Request for Bid Specification No. PG18-0073F, Call Date: April 3, 2018

DATE: April 9, 2018

RECOMMENDATION SUMMARY:

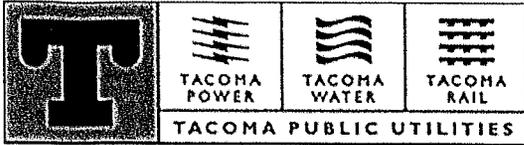
Tacoma Power recommends a contract be awarded to **G & J Logging, Inc., Silver Creek, WA**, for thinning 180 acres of merchantable timber to enhance wildlife habitat at Tacoma Power's Cowlitz Wildlife Area, in the amount of \$397,190, and to be completed within a 6-month period following contract issuance.

BACKGROUND:

The objective of this contract is to thin a specified timber stand located on the Cowlitz Wildlife Area to enhance wildlife habitat. The thinning is specifically intended to improve tree growth rates and stimulate understory development to enhance wildlife habitat. In addition to the timber thinning activities, an existing 18-inch culvert will be removed from the harvest area and a new 18-inch culvert will be installed along a forest road located just north of the harvest area.

The 180-acre timber stand to be thinned is a 27 year old even aged stand largely dominated by Douglas fir with lesser amounts of Western hemlock, grand fir, red alder, and Western red cedar. The thinning will be completed using ground-based logging techniques to achieve an average stand density of 100 trees per acre (20 foot on center average spacing). The cut trees are to be removed from the stand to create more open conditions that facilitate access and movement of deer and elk and improve light penetration to the understory vegetation. The removed trees are to be sold for pulp or dimensional lumber production to help offset costs of the thinning. The harvested timber from this contract is estimated to generate \$500,000.00-550,000.00 of income that will result in a net profit to the Utility.

The activities to be performed under this contract are related to Tacoma Power's Cowlitz River Hydroelectric Project (Cowlitz Project) Federal Energy Regulatory Commission license obligations. Tacoma Power's Cowlitz Project wildlife settlement agreement between the Washington Department of Fish and Wildlife (WDFW) and U.S. Fish and Wildlife Service assigns the Cowlitz Wildlife Area management responsibilities to the WDFW. The settlement agreement also obligates Tacoma Power to fund all costs associated with timber harvest and entitles Tacoma to all revenue generated from timber at the Cowlitz Wildlife Area. The timber thinning to be performed under this contract was developed in coordination with the WDFW to assure that it meets their habitat management objectives for the Cowlitz Wildlife Area.



Not performing this work is not an option as that would violate the terms of our Cowlitz Project wildlife settlement agreement which obligates Tacoma to fund timber harvest activities determined to be necessary to achieve habitat management objectives. Performing a different timber harvest approach, such as clear-cutting, that would generate more revenue is not an option as that approach would not meet the Cowlitz Wildlife Area habitat management objective of promoting mature forests with diverse habitat components. The proposed timber thinning project optimizes revenue generation while achieving the habitat management objectives established by the WDFW.

COMPETITIVE SOLICITATION:

Request for Bid Specification No. PG18-0073F was opened April 3, 2018. Fourteen companies were invited to bid in addition to normal advertising of the project. One submittal was received from G & J Logging.

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal</u> <u>Amount</u>	<u>Evaluated</u> <u>Submittal</u>
G & J Logging, Inc.	Silver Creek, WA	\$397,190	\$397,190

Pre-bid Estimate: \$450,000 to \$550,000

The recommended award is 20 percent below the pre-bid estimate average.

SUSTAINABILITY: Not Applicable

SBE/LEAP COMPLIANCE: The Small Business Enterprise (SBE) Regulation requirement was not required and Local Employment and Apprenticeship Training Program (LEAP) goals were not applicable.

FISCAL IMPACT:

The project is anticipated to result in a net financial benefit to the Utility.

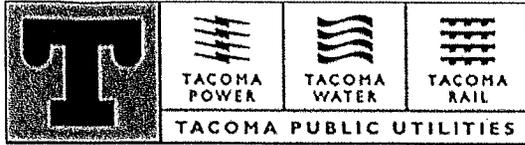
EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
10000061963 (Cowlitz Wildlife)			397,190.00
TOTAL			397,190.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
10000061963			500,000.00-550,000.00
TOTAL			500,000.00-550,000.00



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Net Revenue of 100,000.00-150,000.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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Chris Robinson, Power Superintendent/COO

APPROVED:

A handwritten signature in black ink, appearing to read 'Linda McCrea', is written over a horizontal line.

Linda McCrea, Interim Director of Utilities/CEO

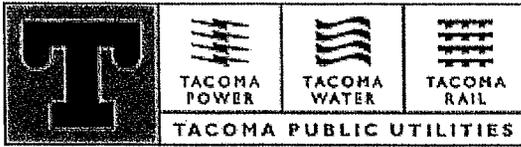


EXHIBIT "A"

RESOLUTION NO.: U-11003

ITEM NO.: #3

MEETING DATE: APRIL 25, 2018

TO: Board of Contracts and Awards
FROM: Dale King, Tacoma Rail Superintendent/COO *DWK*
Kyle Kellem, Tacoma Rail Roadmaster *KK*
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP Coordinator, and Richelle Krienke, Finance/Purchasing
SUBJECT: Railroad Signal Maintenance and Inspection
Request for Bids Specification No. TR18-0032F – April 25, 2018
DATE: April 5, 2018

RECOMMENDATION SUMMARY:

Tacoma Rail recommends a contract be awarded to second low bidder **RailWorks Track Systems, Inc., Chehalis, WA**, for railroad grade crossing signal system maintenance and inspections, in the amount of \$1,853,540.00, plus any applicable taxes, for an initial contract term of two years, with the option to renew for three one-year renewal periods, for a projected cumulative contract amount of \$4,668,195.97, plus any applicable taxes.

BACKGROUND:

This contract is for federally mandated periodic railroad grade crossing signal system inspections and maintenance, as prescribed by Title 49 CFR Part 234.

The determination as to which crossings are signalized is made by the Washington Utilities and Transportation Commission (WUTC), based on statistical analysis of data using a complex matrix. Typically signal system installation costs are covered by federal Section 130 funding. However, once a signal system is installed, the railroad has inspection and maintenance responsibility in perpetuity until such time that the WUTC would approve a formal petition filed by the railroad requesting the removal of an existing grade crossing signal system.

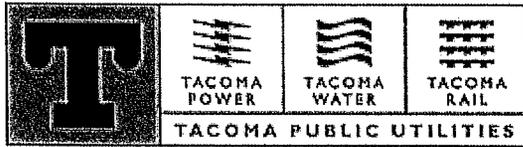
ISSUE: Federal Railroad Administration (FRA) regulations require inspection and maintenance of highway railroad grade crossing signals.

ALTERNATIVES: There are no practical alternatives for this contract, as Tacoma Rail does not currently employ staff with the technical expertise necessary to inspect and effectively maintain the grade crossing signal systems, and a substantial investment in training, vehicles, tools, and materials would need to be made in order to internalize this activity.

COMPETITIVE SOLICITATION:

Request for Bids Specification No. TR18-0032F was opened March 20, 2018. Five companies were invited to bid in addition to normal advertising of the project. Two submittals were received.

The bid offered by Liberty Electric, LLC, did not meet the minimum seven-year contractor experience requirement specified in RFB Section 2.03 A. Contractor Qualifications, as revised by Addendum 3. This exception was found to be a material deviation that could not be waived and the submittal was deemed non-responsive.



The table below reflects the amount of the initial two-year award:

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal Amount</u>	<u>Evaluated Submittal</u>
Liberty Electric, LLC	Lakewood, WA	\$1,505,072.50	\$1,505,072.50
RailWorks Track Systems, Inc.	Chehalis, WA	\$1,853,540.00	\$1,853,540.00

Pre-bid Estimate: \$1,426,786.00.

The recommended award is 29.9 percent above the pre-bid estimate.

CONTRACT HISTORY: New Contract.

SUSTAINABILITY: This service contract will help ensure ongoing compliance with existing federal regulations and contribute to public safety. All replaced or antiquated materials are routinely recycled.

SBE/LEAP COMPLIANCE: Small Business Enterprise (SBE) is not applicable. The Local Employment and Apprenticeship Training Program (LEAP) goal is not applicable.

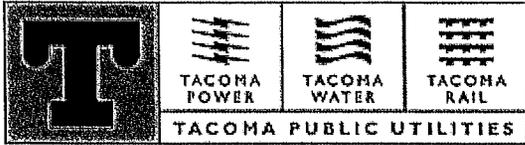
FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4500 Tacoma Rail	592302	5320100	\$1,554,509.26 (33.3%)
4120 Tacoma Rail Mountain	636000	5320100	\$3,113,686.71 (66.7%)
Division			
TOTAL			\$4,668,195.97

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$540,615.81 ESTIMATED AMOUNT FOR PERIOD 5/1/2018 THROUGH 12/31/2018. EXPENDITURES FOR FUTURE BIENNIAL CYCLES WILL BE BUDGETED, AND ARE EXPECTED TO BE COVERED BY OPERATING REVENUES.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes



APPROVED:

A handwritten signature in black ink, appearing to read 'Dale King', is written over a horizontal line.

Dale King, Tacoma Rail Superintendent COO

A handwritten signature in black ink, appearing to read 'Linda McCrea', is written over a horizontal line.

Linda McCrea, Interim Director of Utilities/CEO

SBE GOAL UTILIZATION FORM

SMALL BUSINESS ENTERPRISE REQUIREMENTS & PROCEDURES:

All bidders must complete and submit with their bid the following solicitation forms contained in the bid submittal package:

City of Tacoma – Prime Contractor's Pre-Work Form

IMPORTANT NOTE:

It is the bidder's responsibility to insure that the SBE subcontractor(s) listed on the SBE Utilization Form are currently certified by the City of Tacoma at the time of bid opening. This may be verified by contacting the SBE Program Office at (253) 591-5224 between 8 AM and 5 PM, Monday through Friday. This form must have clear expression of SBE participation your company will use on this project. Ordinance 27867, passed by the City Council on December 15, 2009, establishes the overall SBE goal of 22%, except where modified through appropriate procedures. Please refer to the City of Tacoma SBE Provisions included elsewhere in these Special Provisions.

SBE GOAL: This project involves one category of work, on-call track maintenance: no reasonable opportunity for subcontracting exists.

For any questions or concerns, please call the SBE Program Coordinator at (253) 591-5224

MATERIAL MISSTATEMENTS CONCERNING COMPLETED ACTIONS BY THE BIDDER IN ANY SWORN STATEMENT OR FAILURE TO MEET COMMITMENTS AS INDICATED ON THE SBE UTILIZATION FORM MAY RENDER THE BIDDER IN DEFAULT OF CITY ORDINANCE 27867.



RESOLUTION NO. U-11004

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2 A RESOLUTION concerning surplus utility equipment; declaring utility
3 equipment surplus to the needs of Tacoma Power; conducting a public
4 hearing on the proposed sale of the surplus utility equipment; and
5 authorizing Tacoma Power to sell the surplus utility equipment to the
6 highest responsive bidder(s) at bid sale(s).

7 WHEREAS the City of Tacoma, Department of Public Utilities, Light
8 Division (d.b.a. "Tacoma Power"), originally acquired for public utility purposes,
9 292 overhead and pad-mount transformers listed on the attached Declaration of
10 Surplus Property ("DSP") and Surplus Utility Equipment Inventory in the
11 background materials on file with the Clerk of the Board, and

12 WHEREAS Tacoma Power has determined that the equipment listed on
13 the Declaration of Surplus Property and Surplus Utility Equipment Inventory is
14 no longer necessary for providing continued public utility service due to age,
15 reliability and damage, and is deemed surplus to Tacoma Power's needs
16 pursuant to RCW 35.94.040 and TMC 1.06.272-278, and

17 WHEREAS the equipment has an estimated resale value of \$35,000,
18 and

19 WHEREAS a public hearing was conducted on April 25, 2018, as
20 required by RCW 35.94.040, and

21
22 WHEREAS Tacoma Power requests that the Utility Board, pursuant to
23 the requirements of RCW 35.94.040 and TMC 1.06.272-278, declare the 292
24 overhead and pad-mount transformers surplus to Tacoma Power's needs, and
25 authorize Tacoma Power to sell the overhead and pad-mount transformers at a
26 bid sale(s) to the highest responsive bidder(s); Now, Therefore,



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

Sec. 1. The equipment identified in the Declaration of Surplus Property and Surplus Utility Equipment Inventory is no longer necessary for providing continued public utility service, and is hereby declared surplus to Tacoma Power's needs.

Sec. 2. Tacoma Power is hereby authorized to sell the overhead and pad-mount transformers at a bid sale(s) to the highest responsive bidder(s), and should the overhead and pad-mount transformers not be acquired at sale(s), Tacoma Power is authorized to otherwise dispose of the overhead and pad-mount transformers in Tacoma Power's best interests.

Sec. 3. If a bid is higher than \$200,000, then the highest bid over \$200,000 will be brought by Tacoma Power to the Board for formal approval of the sale.

Approved as to form and legality:

_____ Chair



Chief Deputy City Attorney

_____ Secretary

Clerk

Adopted _____

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES

Request for Board Meeting
of April 25, 2018

REQUEST FOR RESOLUTION

Date April 2, 2018

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)

Surplus of Utility Specific Equipment

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

The Public Utility Board is requested to:

- Declare the attached list of 292 overhead and pad-mount transformers surplus to the utility's needs.
- Conduct a public hearing on the proposed sale of the equipment.
- Authorize the utility to sell to the highest responsive bidders.

3. Summarized reason for resolution:

The utility has determined the equipment on the attached lists is surplus to its needs and no longer necessary for continued normal operations due to age, reliability, or damage. Washington State law requires the Public Utility Board to declare the equipment as surplus, conduct a public hearing to collect testimony on the sale of the equipment, and authorize the sale of the equipment.

4. Attachments:

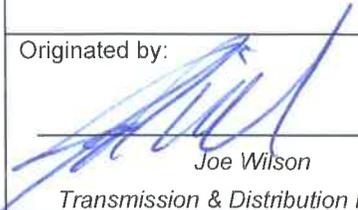
a. List of specific surplus equipment.

5. Funds available Proposed action has no budgetary impact

N/A This action will result in a net income to the Utility

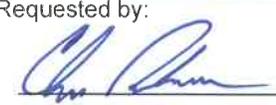
6. Deviations requiring special waivers: None

Originated by:


Joe Wilson

Transmission & Distribution Manager

Requested by:


Chris Robinson

Power Superintendent/COO

Approved:



Linda McCrea

Interim Director of Utilities/CEO



DATE: April 02, 2018
TO: Linda McCrea, Interim Director of Utilities/CEO
FROM: Chris Robinson, Power Superintendent/COO *CR*
SUBJECT: Request for Authorization to Sell 292 Surplus Overhead and Pad Mount Transformers

RECOMMENDATION: Tacoma Power recommends the equipment listed on the attached inventory be declared surplus to Tacoma Power needs. We further recommend a public hearing be held in front of the Public Utility Board to take testimony from any interested individuals on the sale of said surplus equipment in accordance with RCW 35.94.040. In addition, we recommend the Department of Public Utilities be authorized to solicit bids for the equipment and award the sale of the equipment based on the highest responsive bid received, so long as the total bid amount is less than \$200,000. Sale amounts higher than \$200,000 will be presented to the Public Utility Board for approval.

EXPLANATION: The equipment listed on the attached surplus declaration and inventory sheets are considered surplus to Tacoma Power's needs due to their age or condition, and are no longer required for providing continued public utility service. These surplus items should be advertised and sold to the highest responsive bidder in accordance with applicable state and City of Tacoma laws and Finance Department surplus policies. The surplus equipment was originally acquired for public utility purposes and, per RCW 35.94.040, its disposal requires approval of a surplus declaration and a public hearing by the Public Utility Board prior to sale. Proceeds from the sale will be added to the Tacoma Power general fund.

COMPETITIVE SOLICITATION: The attached inventory documents and any necessary requirements will be sent to selected bidders and/or advertised according to Purchasing Division policies. Sale of the equipment will be awarded to the highest responsive bidder. Approval of the sale may be subject to Public Utility Board action if bids exceed \$200,000.

PROJECT ENGINEER/COORDINATOR: Sean Veley, Transmission and Distribution, 253-502-8713.

We request your approval to submit this matter to the Public Utility Board for their approval.

APPROVED:

Linda McCrea
Interim Director of Utilities

Attachments

cc: Chuck Blankenship
Jessica Tonka



City of Tacoma
Declaration of Surplus Property (DSP)

To: Purchasing Division **Date:** April 2, 2018
From: T&D, C&M, Wire Shop
Contact Name: Sean Veley **Phone:** 253-502-8713

- 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: 292 Surplus Overhead/Padmount Transformers Fixed Asset # _____
 Address/Location of Items: 3628 S 35th St Tacoma, WA 98409 Accounting (for costs/proceeds): _____
 Estimated Commercial or Resale Value: \$35,000 Cost Center: 561100
 Minimum Acceptable Bid: \$ N/A General Ledger Acct: 6421400

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 4/3/18 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: _____
- 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

Tacoma Public Utilities
Surplus Utility Equipment Inventory

Division: Power

Type of Equipment: Distribution Transformers. Overhead and pad mounted

Oil Drained and prepared for shipment.

Number or Amount of Equipment: 292



Legend:

Manufacturer:

ABB – ABB Corp, ABC – A.B. Chance, BS – Balteau-Standard, CEN – Central, CM – Central –Maloney, COR – Cortr, CTC – CTC Corp, DOW – Dowzer Electric, DS – Delta Star, EC – EC Corp, ESC – Esco, FED – Federal-Pacific, FP – Ferranti-Packard, FTW – FT Way, GAR – Gardner, GE – General Electric, HDE – Hevi-Duty Electric, HIL – Hill, HKP – H.K. Porter, HOW – Howard Ind., KUH – Kuhlman, LAR – Larkin, LM – Line Material, MAG – Magnatek, ME – McGraw-Edison, MIL – Mille, MOL – Moloney, NI – Nissho Iwai, NW – Northwest, PEN – Pennsylvania, PIO – Pioneer, PIT – Pittsburg, RAP – Rapid, RTE – RTE Corp, SOR – Sorgel, SPO – Spokane, SQU – Square D, STA – Standard, TCL – Tacoma City Light, TIE – Tierney, WAG – Wagner, WEA – Weaver, WES,W – Westinghouse, WOL - Wolf

Type:

IN - Indoor, NW - Network, OH - Overhead, PD - Padmount, RO - Regulated Output, UG- Underground, ST - Station Type, VT - Vault Type, SEC- Sectionalizer

SHIPMENT DATE

2017 LOAD # 2

DISPOSAL COMPANY

1 phase

ROW # 1

Page 1 of 1

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1048097	HOW	63470-3783	\$1,320	10/20/1983	674	50		91-229	<1	PD
2	1043866	RTE	801096336	\$994	8/27/1980	532	50	X	91-193	<1	PD
3	1043418	WES	80JG252114	\$1,118	7/14/1981	702	50		91-191	<1	PD
4	1044820	WES	81JH522004	\$1,212	8/20/1981	704	50		91-192	<1	PD
5	1042258	WES	79JG005127	\$779	7/24/1979	598	50		91-161	<1	PD
6	1043438	WES	80JG252289	\$1,118	7/14/1980	706	50		91-221	<1	PD
7	1042025	WES	79JG004004	\$779	7/18/1979	596	50		91-161	<1	PD
8	1041944	WES	79JG003089	\$779	7/17/1979	602	50		91-161	<1	PD
9	1041992	WES	79JG002247	\$1,009	7/18/1979	716	75		91-161	<1	PD
10	1042015	WES	79JG002202	\$779	7/18/1979	596	50		91-161	<1	PD
11	1053258	WES	88JE164027	\$1,013	5/31/1988	570	25		Manf	<1	PD
12	1043388	WES	80JG251016	\$1,118	7/14/1981	706	50		94-402	<1	PD
13	1043452	WES	80JG254168	\$1,118	7/14/1981	702	50		91-193	<1	PD
14	1043707	WES	80JG255183	\$1,118	8/5/1980	702	50		92-089	<1	PD
15	1042265	WES	79JG005171	\$779	7/24/1979	596	50		91-161	<1	PD
16	1052258	WES	87JE910049	\$938	5/11/1987	520	25		Manf	<1	PD
17	1043408	WES	80JG252050	\$1,118	7/14/1981	702	50		93-584	<1	PD
18	1042302	RTE	791065047	\$640	7/27/1979	398	25		92-232	<1	PD
19	1042036	WES	79JG002260	\$1,009	7/18/1979	716	75		91-161	<1	PD
20	1036386	WES	75M116082	\$989	1/1/1976	826	100	X	94-262	<1	PD
21	1020959	GE	G417058-65K	\$599	9/1/1965	630	50	X	94-581	4	PD
22	1040027	STA	PJI-3982	\$835	9/20/1978	502	50		91-194	<1	PD
23	1043649	WES	80JG252105	\$1,118	7/23/1980	700	50		94-557	<1	PD
24	1045662	ABC	81H83420	\$1,569	10/12/1981	860	100		94-563	<1	PD
25											

ACQUISITION VALUE ROW # 1 \$23,848

WEIGHT ROW # 1 15,556 lbs.

SHIPMENT DATE

2017 LOAD # 2

DISPOSAL COMPANY

1 phase

ROW # 2

Page 1 of 1

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1054309	35672	Wes	90J569068	\$1,264	1/30/1990	628	37	MANF	<1	PD
2	1052903	35672	Wes	87JM056070	\$1,148	12/16/1987	662	37	MANF	<1	PD
3	1050329	35673	Wes	85JF458073	\$1,329	6/1/1985	640	50	MANF	<1	PD
4	1050313	35673	Wes	85JF457009	\$1,329	6/1/1985	644	50	MANF	<1	PD
5	1050523	35673	Wes	85JF459024	\$1,329	7/26/1985	642	50	MANF	<1	PD
6	1043689	35673	Wes	80JG255011	\$1,118	7/23/1980	702	50	94-560	<1	PD
7	1041917	35675	Wes	79JG002273	\$1,147	7/13/1979	822	100	94-15	<1	PD
8	1041915	35675	Wes	79JG002245	\$1,147	7/13/1979	830	100	94-15	<1	PD
9	1050525	35673	Wes	85JF460044	\$1,329	7/26/1985	644	50	Manf	<1	PD
10	1053279	35671	WES	88JH214194	\$1,013	8/15/1988	568	25	Manf	<1	PD
11	1043637	35674	WES	80JG257120	\$1,383	7/11/1980	774	75	94-560	<1	PD
12	1043639	35674	WES	80JG257139	\$1,383	7/11/1980	770	75	94-559	<1	PD
13	1052935	35672	WES	87JM058058	\$1,148	12/21/1987	664	37	Manf	<1	PD
14	1052983	35672	WES	87JM060083	\$1,148	12/30/1987	666	37	Manf	<1	PD
15	1052842	35672	WES	87JK027046	\$1,101	11/6/1987	670	37	Manf	<1	PD
16	1052163	35673	WES	87JD901110	\$1,135	5/8/1987	668	50	Manf	<1	PD
17	1052167	35673	WES	87JD903126	\$1,135	5/8/1987	670	50	Manf	<1	PD
18	1051785	35673	WES	86JK780136	\$1,374	10/28/1986	664	50	Manf	<1	PD
19	1051791	35673	WES	86JK780206	\$1,374	10/28/1986	668	50	Manf	<1	PD
20	1061342	35673	CP	96LH394012		8/13/1996	706	50	Manf	<1	PD
21	1047258	35673	HOW	13514-0983	\$1,320	4/7/1983	674	50	92-091	<1	PD
22	1051885	35673	WES	86JL798183	\$1,374	11/24/1986	672	50	Manf	<1	PD
23	1048098	35673	HOW	63471-3783	\$1,320	10/20/1983	676	50	91-229	<1	PD
24	1047155	35671	HOW	10417-0783	\$961	3/18/1983	492	25	91-229	<1	PD
25											

ACQUISITION VALUE ROW # 2 \$28,309

WEIGHT ROW # 2 16,216 lbs.

SHIPMENT DATE

DISPOSAL COMPANY

2017 LOAD # 2

ROW # 3

1 phase

Page 1 of 1

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1044856	WES	81JH524094	\$12,312	8/24/1981	714	50		93-530	<1	PD
2	1056600	HOW	2051633292	\$940	8/19/1982	454	25		MAN	<1	PD
3	1045653	RTE	811105390	\$879	10/9/1981	412	25		93-649	<1	PD
4	1055041	ABB	90J689199	\$1,383	7/24/1990	680	50		MAN	<1	PD
5	1043625	WES	80JG260104	\$1,383	7/1/1980	770	75		93-530	<1	PD
6	1052952	WES	87JM061152	\$1,013	12/28/1987	564	25		MAN	<1	PD
7	1056448	ABB	92J140070	\$1,140	6/4/1992	536	25		MAN	<1	PD
8	1056391	ABB	92J115162	\$1,140	5/1/1992	538	25		MAN	<1	PD
9	1054117	WES	89J469025	\$1,013	9/12/1989	548	25		MAN	<1	PD
10	1054926	ABB	90J689171	\$1,203	9/23/1990	596	37		MAN	<1	PD
11	1039472	ME	78VE12A002	\$1,280	00/1978	926	100		91-040	<1	PD
12	1053505	WES	88J255281	\$1,148	10/10/1988	672	37		MAN	<1	PD
13	1049753	TCL	TCL-1985-1	\$1,167	1/1/1985	844	30		97-77	4.0	PD
14	1042240	WES	79JG004105	\$779	7/24/1979	602	50		87-59	<1	PD
15	1054303	WES	90J568132	\$1,264	1/30/1990	630	37		MAN	<1	PD
16	1042310	RTE	791065057	\$640	7/27/1979	398	25		91-230	<1	PD
17	1065040	HOW	2312642103	\$1,469	6/18/2003	632	50		MAN	<1	PD
18	1050320	WES	85JF458017	\$1,329	6/24/1985	644	50		MAN	<1	PD
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ACQUISITION VALUE ROW # 3 \$31,482
 WEIGHT ROW # 3 11,160 lbs.
 TOTAL ACQUISITION VALUE \$83,639
 TOTAL LOAD WEIGHT 42,932 lbs.

SHIPMENT DATE
DISPOSAL COMPANY

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1051947	HIT	23790-B		3/25/1987	2,260	125		MAN	N/A	IN
2	1051946	HIT	23790-A		3/25/1987	2,264	125		MAN	N/A	IN
3	1108602	ACUTRAN	0224001			3,390	308		MAN	N/A	IN
4	1053206	WES	88JC120171	\$9,869	3/28/1988	5,270	750		Manf	<1	PD
5	1053157	WES	88JB095035	\$3,199	2/26/1988	1,218	45		Manf	<1	PD
6	1039064	SPO	S770266R1-1	\$9,892	12/5/1977	6,800	1500	X	86-010	<1	PD
7	1049652	TCL	TCL-1984-4	\$1,578	12/14/1984	2,346	75		94-560	10	PD
8	1051951	HIT	23789		3/25/1987	2,934	250		MAN	NA	IN
9	1051948	HIT	23788-A		9/21/1987	3,755	400		MAN	NA	IN
10	1051949	HIT	23788-B		3/25/1987	3,948	400		MAN	NA	IN
11	1051950	HIT	23788-C		3/25/1987	3,986	400		MAN	NA	IN
12	1049858	WES	85JB371116	\$3,934	2/20/1985	1,758	150		94-537	NA	PD
13	1024453	RTE	681018127	\$2,143	00/1968	2,182	150	X	90-233	19.0	PD
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TOTAL ACQUISITION VALUE \$30,615

TOTAL LOAD WEIGHT 42,111 lbs.

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1035307	RTE	742029093	\$326	1/1/1975	258	25	X	93-077	<1	OH
2	1038578	RTE	772020481	\$434	10/1/1977	268	25	X	88-116	<1	OH
3	1037039	RTE	762015494	\$386	2/1/1976	268	25	X	93-121	<1	OH
4	1038533	RTE	772022103	\$434	10/1/1977	264	25	X	89-017	<1	OH
5	1059818	HOW	1757911495	\$686	4/1/1995	264	15		Manf	<1	OH
6	1031653	AC	7306-6001754	\$305	1/1/1973	292	25		93-230	<1	OH
7	1031654	AC	7306-6001755	\$305	1/1/1973	292	25		93-230	<1	OH
8	1031652	AC	7306-6001753	\$305	1/1/1973	288	25		93-230	<1	OH
9	1039700	STA	PJF-2844	\$676	5/1/1978	436	50	X	93-065	<1	OH
10	1053530	RTE	881125901	\$727	10/18/1988	424	37		Manf	<1	OH
11	1056959	GE	Q191417-YNH	\$1,169	2/1/1993	572	37		Manf	<1	OH
12	1022579	DS	W-221845	\$248	1/1/1967	298	25		94-086	<1	OH
13	1028876	WAG	71251216	\$268	1/1/1971	334	25	X	93-490	<1	OH
14	1030444	WAG	72273183	\$181	1/1/1972	216	10	X	93-490	<1	OH
15	1104482	ERM	30808671715	\$811	3/17/2008	180	15		Manf	<1	OH
16	1033292	FP	2-146673	\$395	1/1/1973	520	50	X	93-171	<1	OH
17	1035217	RTE	742027920	\$326	1/1/1975	276	25	X	93-094	<1	OH
18	1035276	RTE	742029117	\$326	1/1/1975	258	25	X	93-074	<1	OH
19	1040928	ME	78VK034254	\$396	4/1/1978	276	25		94-525	<1	OH
20	1057344	ABB	93A103151	\$604	3/25/1993	380	25		Manf	<1	OH
21	1031379	WAG	72472786	\$279	1/1/1972	328	25	X	93-078	<1	OH
22	1038770	RTE	772022995	\$434	7/11/1977	268	25	X	93-105	<1	OH
23	1047769	GE	N627584-YJW	\$786	9/7/1983	286	25	X	94-227	<1	OH
24	1045260	DOW	81D2147524	\$923	9/14/1981	492	50	X	93-162	<1	OH
25	1047528	GE	N583711-YEW	\$777	5/18/1983	284	25	X	93-398	<1	OH

SHIPMENT DATE

2017 LOAD # 5

DISPOSAL COMPANY

ROW # 1

Page 2 of 2

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
26	1047609	GE	N583689-YEW	\$777	5/1/1983	280	25	X	94-270	<1	OH
27	1047526	GE	N583701-YEW	\$777	5/1/1983	280	25	X	93-399	<1	OH
28	1044244	CM	2803245-41	\$592	11/1/1980	336	25	X	93-184	<1	OH
29	1035520	RTE	742029752	\$326	1/1/1975	258	25	X	93-153	<1	OH
30	1062546	CP	97NL563105	\$814	12/1/1997	272	25		Manf	<1	OH
31	1060698	HOW	3364934195	\$872	10/1/1995	358	25		Manf	<1	OH
32	1025814	RTE	692007394	\$804	9/1/1969	844	100	X	88-039	10.5	OH
33	1025819	RTE	692007399	\$804	9/1/1969	832	100	X	86-185	<1	OH
34	1025813	RTE	692007393	\$804	9/1/1969	836	100	X	86-184	1.03	OH
35	1053359	HOW	71213-3188	\$355	8/31/1988	166	5		Manf	<1	OH
36	1062358	CP	97NL563017	\$705	11/24/1997	272	25		Manf	<1	OH
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ACQUISITION VALUE ROW # 1 \$20,137

WEIGHT ROW # 1 12,756 lbs.

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1105199	ERM	30908873928	\$2,373	3/31/2009	528	75		Manf	<1	OH
2	1054542	HOW	26925-1090	\$626	3/23/1990	334	25		Manf	<1	OH
3	1106373	ERM	51109201162	\$1,834	5/9/2011	402	50		Manf	<1	OH
4	1022303	KUH	3-88791	\$286	3/2/1967	306	25		93-656	<1	OH
5	1053017	CM	188138507	\$2,384	2/8/1988	1,218	167		Manf	<1	OH
6	1053019	CM	188138509	\$2,384	2/8/1988	1,218	167		Manf	<1	OH
7	1053018	CM	188138508	\$2,384	2/8/1988	1,218	167		Manf	<1	OH
8	1027459	RTE	702019132	\$855	1/1/1970	810	100	X	90-079	<1	OH
9	1037798	RTE	772005839	\$362	2/7/1977	200	15	X	94-575	<1	OH
10	1037142	RTE	762017463	\$559	5/31/1976	458	50	X	94-449	<1	OH
11	1034247	WES	74AA7342	\$212	1/1/1974	192	10	X	93-451	<1	OH
12	1048257	GE	N699914-YBX	\$800	2/1/1984	290	25	X	94-205	<1	OH
13	1002965	GE	2077769	\$182	8/1/1928	456	5		93-451	<1	RO
14	1024041	AC	4474686	\$185	1/1/1968	198	10		93-451	32	OH
15	1032103	STA	PEI-5684	\$320	1/1/1973	330	25	X	93-181	<1	OH
16	1035796	RTE	752002726	\$737	1/1/1975	656	75	X	93-689	<1	OH
17	1050413	CM	2852733-24	\$589	7/9/1985	266	10	X	94-278	<1	OH
18	1050412	CM	2852733-23	\$589	7/9/1985	266	10	X	94-277	<1	OH
19	1027686	RTE	702015437	\$176	1/1/1970	158	10		94-567	<1	OH
20	1035258	RTE	742028586	\$326	1/1/1975	280	25	X	93-689	<1	OH
21	1029496	WAG	72021827	\$286	1/1/1972	332	25	X	94-488	<1	OH
22	1030974	WAG	72431924	\$279	1/1/1972	332	25	X	94-488	<1	OH
23	1044269	CM	2803244-65	\$592	11/14/1980	328	25	X	93-181	<1	OH
24	1038383	RTE	772021343	\$434	1/24/1977	266	25	X	93-475	<1	OH
25	1038381	RTE	772021313	\$434	1/24/1977	264	25	X	93-475	<1	OH

SHIPMENT DATE
DISPOSAL COMPANY

2017 LOAD # 5

ROW # 2

Page 2 of 2

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
26	1038382	RTE	772021342	\$434	1/24/1977	268	25	X	93-475	<1	OH
27	1026594	AC	5239539	\$193	1/1/1970	212	10	X	93-083	6.9	OH
28	1035319	RTE	742029105	\$326	1/1/1975	260	25	X	93-087	<1	OH
29	1035999	RTE	752007221	\$326	1/1/1975	256	25	X	93-082	<1	OH
30	1028060	WAG	71220353	\$268	1/1/1971	334	25	X	94-528	<1	OH
31	1029619	WAG	72052641	\$286	1/1/1972	332	25	X	93-295	<1	OH
32	1028883	WAG	71262936	\$174	1/1/1971	218	10	X	93-166	<1	OH
33	1038716	RTE	772022960	\$434	5/16/1977	266	25	X	93-267	<1	OH
34	1108880	ERM	91610475164	\$908	9/20/2016	390	50		Manf	<1	OH
35	1035316	RTE	742029102	\$326	1/1/1975	258	25	X	94-165	<1	OH
36	1040113	KUH	3673173178	\$617	9/1/1978	452	50		93-186	<1	OH
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ACQUISITION VALUE ROW # 2 \$24,480

WEIGHT ROW # 2 14,552 lbs.

SHIPMENT DATE

2017 LOAD # 5

DISPOSAL COMPANY

ROW # 3

Page 1 of 2

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1030119	WAGWES	72243757	\$419	1/1/1972	474	50	X	94-521	<1	OH
2	1050907	GE	P040670-YMY	\$710	12/19/1985	298	25		94-041	<1	OH
3	1048268	GE	N699238	\$800	2/23/1984	288	25	X	93-332	<1	OH
4	1044474	KUH	3022124480	\$688	12/15/1980	462	50		94-259	<1	OH
5	1052747	RTE	871117718	\$979	10/9/1987	554	50	X	Manf	<1	OH
6	1036828	RTE	762013860	\$334	1/1/1976	194	15		88-83	<1	OH
7	1038488	RTE	772020477	\$434	1/14/1977	268	25	X	93-224	<1	OH
8	1060194	HOW	1816351595	\$812	4/27/1995	354	25		Manf	<1	OH
9	1035567	RTE	752001332	\$495	1/1/1975	456	50	X	94-333	<1	OH
10	1056086	GE	P979944-YWF	\$909	9/25/1991	488	25		Manf	<1	OH
11	1025983	DS	W244202	\$282	1/1/1969	338	25	X	93-661	<1	OH
12	1053834	WES	89A170290	\$678	4/26/1989	354	25	X	Manf	<1	OH
13	1036827	RTE	762013858	\$334	1/1/1976	198	15		88-85	<1	OH
14	1019942	AC	3557938	\$700	1/1/1964	730	75		94-642	6	OH
15	1051655	WES	86A352053	\$462	9/18/1986	170	10		Manf	<1	OH
16	1050801	GE	P040574-YMY	\$710	12/13/1985	302	25		93-472	<1	OH
17	1050503	GE	N947011-YGY	\$643	7/23/1985	248	15		94-528	<1	OH
18	1022292	MOL	A30094	\$281	3/1/1967	370	25		93-585	7.2	OH
19	1022369	CEN	17329-2-21	\$176	3/9/1967	190	10		94-521	3	OH
20	1024214	SPO	C6825306	\$494	9/24/1972	338	25	X	94-415	6	OH
21	1049619	KUH	3602548384	\$677	12/14/2084	362	25		93-421	<1	OH
22	1022421	DS	W220077	\$283	3/28/1967	330	25	X	93-224	12	OH
23	1050799	GE	P040572-YMY	\$710	12/13/1985	300	25		93-472	<1	OH
24	1556312	CP	9525			414			Manf	<1	REC
25	1042349	RTE	792017170	\$437	7/27/1979	280	25	X	92-209	<1	OH

SHIPMENT DATE

DISPOSAL COMPANY

2017 LOAD # 5

ROW # 3

Page 2 of 2

CITY #	MID #	Manufacturer	Manufacturer #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
26	1038085	RTE	772005947	\$434	2/28/1977	262	25	X	94-573	<1	OH
27	1035244	RTE	742028570	\$326	1/1/1975	276	25	X	93-086	<1	OH
28	1037594	RTE	772003892	\$434	5/9/1977	266	25	X	94-553	<1	OH
29	1038331	RTE	772004860	\$630	1/17/1977	450	50	X	94-484	<1	OH
30	1046562	RTE	821046258	\$1,155	7/1/1982	556	50	X	92-196	<1	OH
31	1026011	DS	W-244128	\$282	1/1/1969	336	25	X	93-265	9.1	OH
32	1021738	AC	4066157	\$267	7/21/1966	328	25		86-022	4	OH
33	1050556	GE	N953323-YGY	\$646	7/1/1985	192	10	X	Manf	<1	OH
34	1050557	GE	N953324-YGY	\$646	7/1/1985	194	10	X	Manf	<1	OH
35	1050558	GE	N953325-YGY	\$646	7/1/1985	192	10	X	Manf	<1	OH
36	1033290	FP	2-146671	\$395	1/1/1973	516	50	X	93-299	<1	OH
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ACQUISITION VALUE ROW # 3 \$19,308

WEIGHT ROW # 3 12328 lbs.

TOTAL ACQUISITION VALUE \$63,925

TOTAL LOAD WEIGHT 39,636 lbs.

SHIPMENT DATE

2017 LOAD # 6

DISPOSAL COMPANY

ROW # 1

Page 1 of 2

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1048746	RTE	841101798	\$669	18/17/1984	252	15	X	13-030	<1	OH
2	1048520	RTE	841090995	\$647	7/24/1984	246	15	X	13-081	<1	OH
3	1048147	GE	N696874	\$1,119	2/8/1984	464	50	X	94-269	<1	OH
4	1048745	RTE	841101794	\$669	8/17/1984	250	15	X	13-030	<1	OH
5	1038470	RTE	772022113	\$434	5/12/1978	268	25	X	94-532	<1	OH
6	1037781	RTE	772005821	\$362	2/1/1978	198	15	X	94-546	<1	OH
7	1047884	GE	N628288	\$786	9/1/1983	288	25	X	94-242	<1	OH
8	1044017	KUH	3020570280	\$688	10/16/1980	462	50		93-143	<1	OH
9	1051657	WES	86A352055	\$462	9/18/1986	172	10		MAN	<1	OH
10	1031029	WAG	72443293	\$279	4/4/1974	334	25	X	94-116	<1	OH
11	1052634	RTE	871115397	\$812	4/5/2000	460	37	X	MAN	<1	OH
12	1053435	RTE	881119543	\$924	9/22/1988	524	50		MAN	<1	OH
13	1047309	GE	N583632-YEW	\$721	5/1/1983	288	25		92-175	<1	OH
14	1051656	WES	86A352054	\$462	9/18/1986	178	10		MAN	<1	OH
15	1021737	AC	4066156	\$267	7/21/1966	334	25		93-585	3	OH
16	1057150	ABB	93A101877	\$899	3/12/1993	522	50		MAN	<1	OH
17	1037952	RTE	772004090	\$609	9/1/1997	444	50		92-288	<1	OH
18	1057060	ABB	93A092172	\$701	3/5/1993	394	37		MAN	<1	OH
19	1038469	RTE	772022112	\$434	6/9/1997	268	25	X	94-523	<1	OH
20	1055940	GE	P978622-YWF	\$617	9/16/1991	278	15		MAN	<1	OH
21	1060404	HOW	1816781595	\$812	5/1/1995	356	25		MAN	<1	OH
22	1020732	WES	65AE6691	\$217	7/29/1965	260	15		94-26	<1	OH
23	1057364	ABB	93A113818	\$604	3/25/1993	378	25		MAN	<1	OH
24	1028364	WAG	71240115	\$174	5/21/1971	218	10	X	94-506	<1	OH
25	1030004	WAG	72232504	\$279	1/2/1972	332	25	X	94-426	<1	OH

SHIPMENT DATE
DISPOSAL COMPANY

2017 LOAD # 6

ROW # 1

Page 2 of 2

CITY #	MID #	Manufacturer	Manufacturer #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
26	1031471	WAG	72493520	\$279	3/6/1972	330	25	X	94-469	<1	OH
27	1030306	WAG	72273139	\$181	2/22/1972	218	10	X	94-101	<1	OH
28	1027850	FP	2-129519	\$409	10/5/1971	512	50	X	94-84	3.2	OH
29	1060209	HOW	1816411595	\$812	4/27/1995	358	25		MAN	<1	OH
30	1031217	WAG	72482989	\$279	6/1/1972	334	25	X	93-94	<1	OH
31	1031163	WAG	72443378	\$279	1/1/1972	336	25	X	94-393	<1	OH
32	1045616	KUH	3036955481	\$824	10/1/1981	468	50		94-101	<1	OH
33	1025974	DS	W-244156	\$282	1/1/1969	332	25	X	93-661	<1	OH
34	1040971	RTE	781116865	\$1,510	6/9/1978	1,102	167	X	93-222	<1	OH
35	1040972	RTE	781116866	\$1,510	6/1/1978	1,092	167	X	93-418	<1	OH
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ACQUISITION VALUE ROW # 1 \$21,012

WEIGHT ROW # 1 13,250 lbs.

CITY #	MID #	Manufacturer	Manufacturer #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1029456	WAG	72031015	\$286	00/00/1972	334	25	X	94-523	<1	OH
2	1060612	HOW	3364914195	\$872	10/30/1995	364	25		MAN	<1	OH
3	1017581	GE	E238309-59K	\$650	00/00/1976	542	50		94-198	<1	OH
4	1039095	RTE	272023002	\$630	00/00/1977	452	50	X	93-160	<1	OH
5	1050800	GE	P040573-YMY	\$710	12/13/1985	302	25		93-472	<1	OH
6	1047988	GE	N631789-YKW	\$730	9/30/1983	288	25		94-24	<1	OH
7	1047695	GE	N582571	\$1,086	6/15/1983	468	50	X	94-204	<1	OH
8	1048604	WES	84A271847	\$747	8/2/1984	345	25	X	93-356	<1	OH
9	1030866	WAG	72402369	\$181	1/1/1972	220	10	X	94-367	<1	OH
10	1060613	HOW	3364964195	\$872	10/30/1995	364	25		MAN	<1	OH
11	1033101	FP	2-146613	\$395	00/00/2000	518	50	X	93-183	1.1	OH
12	1035509	RTE	742029741	\$326	00/00/1975	258	25	X	93-145	<1	OH
13	1027305	RTE	702016546	\$290	0/0/1970	306	25	X	94-638	<1	OH
14	1033056	FP	2-146596	\$395	0/0/1973	518	50	X	93-220	21	OH
15	1032486	FP	2-146834	\$696	0/0/1973	792	100	X	93-608	8.4	OH
16	1037770	RTE	772005978	\$630	3/1/1977	462	50		94-547	<1	OH
17	1037702	RET	772006206	\$411	1/1/1977	262	25		94-532	<1	OH
18	1038969	RTE	772026272	\$411	1/17/1977	260	25		93-473	<1	OH
19	1025164	AC	4904185	\$203	1/1/1969	218	10	X	92-45	4	OH
20	1020102	AC	3615283	\$216	8/6/1964	252	15		93-565	20	OH
21	1026234	FP	2-123207	\$428	6/10/1970	496	50	X	93-661	4.6	OH
22	1022295	MOL	A35831	\$281	3/1/1967	272	25		94-086	20.2	OH
23	1042992	RTE	792021986	\$427	8/30/1979	274	25	X	93-169	<1	OH
24	1040975	RTE	781116869	\$1,510	6/1/1978	1,106	167	X	93-221	<1	OH
25	1019943	AC	3557943	\$700	1/1/1964	702	75		86-122	5.2	OH

SHIPMENT DATE
DISPOSAL COMPANY

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
26	1019944	AC	3557946	\$700	1/1/1963	716	75		86-120	7.3	OH
27	1040945	ME	78VK034312	\$396	4/1/1978	270	25		93-415	<1	OH
28	1052683	RTE	871116827	\$385	10/8/1987	308	25	X	MAN	<1	OH
29	1048969	RTE	841110871	\$1,149	9/6/1984	584	50	X	13-081	<1	OH
30	1049421	RTE	841140325	\$1,149	11/21/1984	588	50	X	14-007	<1	OH
31	1049983	RTE	851017230	\$1,137	7/30/1985	580	50	X	14-007	<1	OH
32	1048928	RTE	8411108034	\$1,149	8/28/1984	580	50	X	13-089	<1	OH
33	1052716	RTE	871116783	\$565	10/9/1987	266	15	X	MAN	<1	OH
34	1040973	RTE	781116867	\$1,510	6/1/1978	1,088	167	X	93-418	<1	OH
35	1041387	RTE	791022730	\$1,456	6/1/1979	1,166	167	X	98-543	<1	OH
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ACQUISITION VALUE ROW # 2 \$23,679
WEIGHT ROW # 2 16,521 lbs.

SHIPMENT DATE

2017 LOAD # 6

DISPOSAL COMPANY

ROW # 3

Page 1 of 2

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
1	1049530	KUH	3602541484	\$677	11/1/1984	368	25		93-478	<1	OH
2	1049732	KUH	3602557784	\$677	1/4/1985	358	26		94-445	<1	OH
3	1048123	GE	N582440	\$800	2/6/1984	290	27	X	94-205	<1	OH
4	1048160	GE	N696888	\$1,119	2/8/1984	464	50	X	94-237	<1	OH
5	1047598	GE	N583006	\$777	5/19/1983	288	25	X	93-549	<1	OH
6	1049953	RTE	851016582	\$1,137	7/30/1985	584	50	X	17-111	<1	OH
7	1032025	STA	PEH-5091	\$320	0/0/1973	326	25	X	94-118	<1	OH
8	1049261	RTE	841136542	\$1,149	11/6/1984	582	50	X	14-072	<1	OH
9	1057916	CM	194142503	\$755	10/26/1994	295	25		MAN	<1	OH
10	1060674	HOW	3363874195	\$711	10/30/1995	260	15		MAN	<1	OH
11	1049781	ME	85VA004020	\$547	2/4/1985	258	15		94-571	<1	OH
12	1029010	WAG	71272491	\$174	0/0/1971	216	10	X	93-360	<1	OH
13	1064795	CPR	0202168878	\$822	1/10/2003	320	25		MAN	<1	OH
14	1028505	WAG	71240230	\$174	6/1/1971	224	10	X	87-18	<1	OH
15	1022776	AC	4196477	\$427	1/1/1967	334	25		94-570	43.0	OH
16	1043048	RTE	792022010	\$427	9/6/1979	274	25	X	93-239	<1	OH
17	1043122	KUH	3695854879	\$565	1/1/1979	446	50		94-158	<1	OH
18	1050110	CM	2852451-12	\$616	5/15/1985	276	15		MAN	<1	OH
19	1036839	RTE	762013456	\$329	0/0/1976	198	15	X	88-18	<1	OH
20	1049782	ME	85VA004021	\$547	2/4/1985	258	15		94-568	<1	OH
21	1105549	ERMCO	11008992191	\$1,737	1/19/2010	400	50		MAN	<1	OH
22	1041260	CM	1792210-44	\$415	6/11/1979	310	25		94-49	<1	OH
23	1025958	DS	W244130	\$282	0/0/1969	326	25	X	93-661	2.1	OH
24	1023540	AC	4318909	\$282	0/0/1967	334	25		94-456	4	OH
25	1035425	RTE	751001599	\$848	0/0/1975	858	100	X	94-565	1	SUB

SHIPMENT DATE

DISPOSAL COMPANY

2017 LOAD # 6

ROW # 3

Page 2 of 2

CITY #	MID #	Manufacturer	Manufacturer Serial #	Acquisition Value	Acquisition Date	Weight	KVA	Dual Voltage	AUTH #	PPM/PCB	Type
26	1035424	RTE	751001598	\$848	0/0/1975	842	100	X	94-565	2.0	OH
27	1038551	RTE	772022138	\$434	0/0/1977	268	25	X	93-545	<1	OH
28	1027100	RTE	702012717	\$290	1/1/1970	304	25	X	93-581	<1	OH
29	1108302	GE	M15J19104	\$568	11/23/2015	176	15		MAN	<1	OH
30	1064213	CPR	0138009616	\$1,849	4/2/2001	956	100		MAN	<1	OH
31	1052698	RTE	871116844	\$585	10/8/1987	310	25	X	MAN	<1	OH
32	1105650	ERMCO	21009008031	\$1,094	2/25/2010	246	25		MAN	<1	OH
33	1045086	DOW	8102147040	\$684	9/4/1981	356	25	X	93-528	<1	OH
34	1035206	CM	1743967-3	\$352	0/0/1974	192	10		94-199	.600	OH
35	1035301	RTE	742029165	\$326	0/0/1974	258	25	X	93-144	<1	OH
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ACQUISITION VALUE ROW # 3 \$23,343

WEIGHT ROW # 3 12755 lbs.

TOTAL ACQUISITION VALUE \$68,034

TOTAL LOAD WEIGHT 42,526 lbs.



RESOLUTION NO. U-11005

1 A RESOLUTION relating to Tacoma Power; approving a Supplemental Ordinance;
2 authorizing the extension of the City's Electric System Subordinate Revenue
3 Note, Series 2015A, in the principal amount of not to exceed \$100,000,000
and an amendment to the Note Purchase Agreement.

4 WHEREAS, pursuant to Ordinance No. 28295 adopted on April 21, 2015
5 (the "Master Subordinate Ordinance"), and Ordinance No. 28296 adopted on
6 April 21, 2015 (the "First Subordinate Ordinance"), the City of Tacoma, Washington
7 (the "City"), acting through its Department of Public Utilities, Light Division (dba
8 "Tacoma Power") issued its Electric System Subordinate Revenue Note, Series
9 2015A, to evidence a revolving line of credit in the principal amount of not to exceed
10 \$100,000,000 (the "2015A Note"), and
11

12 WHEREAS the 2015A Note was sold to and purchased by Wells Fargo
13 Municipal Capital Strategies, LLC ("Wells Fargo") by private sale pursuant to the
14 terms of the Note Purchase Agreement dated May 1, 2015 (the "Original Note
15 Purchase Agreement"), between Wells Fargo and the City, acting by and through
16 its Public Utilities Board (the "Board"), and
17

18 WHEREAS, during the last three years, Tacoma Power successfully utilized
19 the 2015A Note and the Original Note Purchase Agreement to finance
20 approximately \$80 million of capital projects, which were recently refinanced on a
21 long-term basis with proceeds of its Electric System Revenue Bonds, Series 2017,
22 leaving a balance of approximately \$250,000 outstanding on the 2015A Note, and
23

24 WHEREAS implementation of the 2015A Note and the Original Note
25 Purchase Agreement has allowed for a more cost effective and efficient
26



1 management of capital construction compared to issuing long-term bonds as
2 Tacoma Power could more closely match its draws on the line of credit with the
3 amount and timing of its capital projects, and

4 WHEREAS the 2015A Note is scheduled to expire on May 11, 2018, unless
5 such date is extended under the terms of the Original Note Purchase Agreement,
6 and

7 WHEREAS the Board hereby finds that it would be beneficial for Tacoma
8 Power to extend the expiration date of the 2015A Note until August 2020 to provide
9 financing for capital projects of Tacoma Power, and

10 WHEREAS, to extend the expiration date and to make other revisions
11 related to such extension, Wells Fargo has requested that Tacoma Power enter
12 into an amendment to the Original Note Purchase Agreement (the "First
13 Amendment," and the Original Note Purchase Agreement as amended by the First
14 Amendment, and as it may be further amended from time to time, is referred to as
15 the "Note Purchase Agreement"), and

16 WHEREAS the extension of the expiration date and the execution of the
17 First Amendment will be treated (as of the date of the First Amendment) as a new
18 issue for federal income tax purposes, and

19 WHEREAS, pursuant to Tacoma City Charter Section 4.11, the Board is
20 required to initiate and approve all matters related to the incurrence of
21 indebtedness and the issuance of bonds on behalf of Tacoma Public Utilities, and
22 then forward such matters to the Council of the City for concurring approval, and
23
24
25
26



1 WHEREAS the form of authorizing ordinance (the "Supplemental
2 Ordinance") and form of First Amendment have been presented to the Board and
3 copies of such documents are on file with the Clerk of the Board, and

4 WHEREAS the Board hereby recommends to the Council of the City that it
5 is in the best interest of the citizens of Tacoma that the Supplemental Ordinance
6 be approved by the Board and passed by the Council of the City to accomplish the
7 purposes set forth therein; Now, Therefore,

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

9
10 Sec. 1. The request to extend the 2015A Note for an additional term of
11 approximately 2.25 years from the date of extension is hereby approved. The
12 2015A Note, as extended, shall be in the amount of not to exceed \$100,000,000
13 outstanding at any time, shall initially bear interest at a variable rate equal to 80%
14 of one-month LIBOR rate plus 43 basis points for funds used (subject to
15 adjustment as set forth in the Note Purchase Agreement), and 21.5 basis points for
16 funds not drawn under the Note Purchase Agreement, and as such terms may be
17 further adjusted under the Note Purchase Agreement.
18

19 The terms and conditions of the proposed Supplemental Ordinance
20 authorizing the extension of the 2015A Note, the execution of the First
21 Amendment, and the treatment of the amended and extended 2015A Note as a
22 new bond issue for federal income tax purposes are hereby approved, and the
23 Council of the City is requested to concur in this approval by the passage of the
24 same at the earliest opportunity in the final form approved by the City Attorney.
25
26



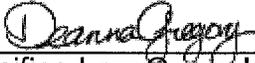
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Sec. 2. The form of the First Amendment is hereby approved. Upon passage of the Supplemental Ordinance, the Director of Public Utilities, or in the alternative, the Tacoma Power Superintendent, is delegated authority to approve the final terms and conditions of the First Amendment in coordination with Bond Counsel, the Financial Advisor and the City Attorney's Office, and to execute and implement the First Amendment (including the payment of any financing costs associated with the delivery of the First Amendment).

Sec. 3. This resolution shall become effective immediately upon its adoption.

Approved as to form and legality:

Chair



Pacifica Law Group LLP,
Bond Counsel

Secretary

Clerk

Adopted _____

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES

Request for Board Meeting
of April 25, 2018

REQUEST FOR RESOLUTION

Date 4/16/2018

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)

Tacoma Power Short-term Drawdown Note Purchase Agreement Extension Request and Supplemental Bond Ordinance

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

For authority to execute a Supplemental Bond Ordinance and an extension of the Short-term Drawdown Note Purchase Agreement with Wells Fargo Bank in the amount of \$100 million.

3. Summarized reason for resolution:

In 2015, the Board and Council approved a three-year Note Purchase Agreement (NPA) with Wells Fargo to finance construction costs on an interim basis. During the last three years, Tacoma Power successfully utilized the agreement to finance approximately \$80 million of capital project expenses. Tacoma Power recently issued the Series 2017 Electric System Revenue Bonds to repay the amounts borrowed under the Wells Fargo NPA. Implementation of this agreement allowed for a more cost effective and efficient management of capital construction compared to issuing long-term bonds as Tacoma Power could more closely match its draws on the Wells Fargo NPA with the amount and timing of its capital projects.

The Wells Fargo NPA expires on May 11, 2018, and may be extended.

4. Attachments:

5. Funds available

The action of approving the extension of the Wells Fargo Drawdown Direct Note Purchase Agreement will result in short-term variable rate financing costs of 80% of the 1-month LIBOR rate plus 43 basis points on money drawn under the \$100 million agreement. The funds that are not drawn under the \$100 million agreement will cost 21.5 basis points. The total cost is currently estimated to be \$750,000 to \$1 million over the 2019/2020 biennium. The extended agreement would expire in August 2020.

6. Deviations requiring special waivers: None

Originated by:

Bill Berry

Section Head

Requested by:

Chris Johnson

Division Head

Approved:

Genda McCreia

Director of Utilities



TO: Elizabeth Pauli, City Manager
FROM: Linda McCrea, Interim Director of Utilities
Chris Robinson, Power Superintendent
COPY: City Council and City Clerk
SUBJECT: Resolution/Ordinance – Tacoma Power Wells Fargo Note Purchase Agreement Extension
DATE: April 12, 2018

SUMMARY:

Tacoma Power is requesting authorization to extend the current \$100 million Note Purchase Agreement (NPA) with Wells Fargo to provide interim financing for Tacoma Power’s capital projects.

STRATEGIC POLICY PRIORITY:

The strategic policy priority best aligned to this action is to “Strengthen and maintain a strong fiscal management position.”

The Note Purchase Agreement with Wells Fargo provides up-front interim financing for capital projects and defers the issuance of higher cost long-term bonds. Additionally, the utilization of the Wells Fargo NPA to fund capital projects largely eliminates negative arbitrage resulting from issuing and paying interest on long-term bonds prior to spending bond proceeds on construction projects. Taken together, the short-term interest rates and avoidance of negative arbitrage provide significant savings to Tacoma Power customers and help maintain financial flexibility and limit rate increases over the biennium. Use of the Wells Fargo NPA has saved Tacoma Power an estimated \$10.6 million in debt service costs over the course of the existing three-year agreement.

BACKGROUND:

In October 2014, Tacoma Power solicited proposals from qualified firms for short-term funding products and reviewed responses from eleven financial firms. From that pool of respondents, Wells Fargo offered the lowest cost and most flexible option for interim financing. On May 1, 2015, Tacoma Power executed the NPA with Wells Fargo Bank providing a commitment for a revolving line of credit of not to exceed \$100 million for three years. In connection with the execution of the NPA with Wells Fargo, the City issued its Electric System Subordinate Revenue Note, Series 2015A to evidence the line of credit.

During the last three years, Tacoma Power successfully utilized the Wells Fargo NPA to interim finance approximately \$80 million of capital project expenses. Tacoma Power recently issued the Series 2017 Electric System Revenue Bonds to repay the amounts borrowed under the Wells Fargo NPA. Implementation of this agreement allowed for a more cost effective and efficient management of capital construction compared to issuing long-term bonds as Tacoma Power could more closely match its draws on the Wells Fargo agreement with the amount and timing of its capital projects. Tacoma Power is nearing the end of the Wells Fargo agreement which will expire on May 11, 2018 and may be extended.

The proposed ordinance to extend the term of the NPA with Wells Fargo by amending the current NPA has been drafted by Tacoma Power’s Bond Counsel (Pacifica) and Financial Advisor (Montague DeRose and Associates), in collaboration with Tacoma Power staff, the City Treasurer and the City Attorney.



ISSUE:

While the Wells Fargo agreement will expire on May 11, 2018, it contains a provision to extend it. Tacoma Power, the City Treasurer, and our Financial Advisor perceive the following benefits from renewing with Wells Fargo agreement verses issuing a traditional Request for Proposal and negotiating a new credit facility:

- The financing market is changing. Tax reform has changed the calculation of interest owed on the amount borrowed from private banks. Issuing a Request for Proposal for other bank products may result in higher prices and more limited financing options to compensate for market uncertainty.
- The London Interbank Offered Rate (LIBOR), which is a borrowing benchmark used globally, will be phased out at the end of 2021. This benchmark is commonly used to calculate interest rates paid on amounts borrowed in bank lending agreements. The market has not settled on an alternative benchmark, so the pricing of other potential benchmarks is uncertain. Wells Fargo proposed a two-and-a-quarter year agreement priced in-line with rates currently being charged on the NPA and having an expiration date which precedes the phase out of LIBOR.
- Renewing the NPA with Wells Fargo will cost approximately half of the cost of soliciting alternative proposals and negotiating a new agreement. Tacoma Power would not have to issue a RFP, saving staff time and negotiation costs. Estimated costs of renewing the Wells Fargo NPA for Financial and Bond Counsel services is \$50,000. Issuing an RFP and negotiating a new agreement are estimated to cost \$100,000 in Financial and Bond Counsel services.

Wells Fargo proposed a two-and-a-quarter year extension of the agreement with fees in-line with those of the current NPA and an expiration date preceding the phase-out of LIBOR.

PRELIMINARY TERMS:

Business terms of the extension of the current agreement with Wells Fargo are as follows:

Maturity: Two-and-a-quarter years, expiring in August 2020

Notional Amount: \$100,000,000

Interest Benchmark: LIBOR

Utilized fee: 80% of one month LIBOR + 43 basis points on drawn amount

Unutilized fee: 21.5 basis point fee on unused amount

Projected All-In Cost: 2.35%

ALTERNATIVES:

If Tacoma Power does not extend the Wells Fargo NPA, alternatives will be brought back to the City Council for consideration. Some alternatives considered are:

- Tacoma Power could issue long-term bonds in 2019 instead of using the Wells Fargo agreement to fund capital projects.
- Tacoma Power could solicit alternative proposals and negotiate a new interim-financing agreement for approval by the City Council at a later date.



RECOMMENDATION:

Tacoma Power recommends approval to extend the \$100 million short-term financing agreement with Wells Fargo to provide interim financing for capital projects through 2020.

This request was presented to the Public Utility Board at the April 25, 2018 Study Session.

FISCAL IMPACT:

There is no fiscal impact of renewing the Wells Fargo NPA.



DATE: April 12, 2018

TO: Linda McCrea, Interim Director of Utilities

FROM: Chris Robinson, Power Superintendent

SUBJECT: Approval to extend Tacoma Power's Note Purchase Agreement with Wells Fargo Bank

RECOMMENDATION

Tacoma Power recommends approval to extend the current \$100 million short-term financing agreement with Wells Fargo to provide interim financing for capital projects in 2019 and 2020. RPA has, through its Financial Advisor, sought updated pricing in conjunction with an extension of the current agreement with Wells Fargo. After weighing the benefits and risks of both options, RPA recommends renewing the short-term Note Purchase Agreement (NPA) with Wells Fargo Bank for a period of two-and-a-quarter years, expiring in August 2020. A memo outlining the terms of the extension, was presented to the Public Utility Board at the April 11, 2018 Study Session.

BACKGROUND

In October 2014, Tacoma Power solicited proposals from qualified firms for short-term funding products and reviewed responses from eleven financial firms. From that pool of respondents, Wells Fargo offered the lowest cost and most flexible option for interim financing. On May 1, 2015, Tacoma Power executed the NPA with Wells Fargo Bank providing a commitment for a revolving line of credit of not to exceed \$100 million for three years. In connection with the execution of the NPA with Wells Fargo, the City issued its Electric System Subordinate Revenue Note, Series 2015A to evidence the line of credit.

The NPA with Wells Fargo is scheduled to expire on May 11, 2018 and may be extended. The Wells Fargo NPA provides up-front interim financing for capital projects and defers the issuance of higher cost long-term bonds. Additionally, the utilization of the Wells Fargo NPA to fund capital projects largely eliminates negative arbitrage resulting from issuing and paying interest on long-term bonds prior to spending bond proceeds on construction projects. Taken together, the short-term interest rates and the avoidance of negative arbitrage provide significant savings to Tacoma Power customers and help maintain financial flexibility and limit rate increases over the biennium.

PRELIMINARY TERMS

The financing market is changing due to tax reform and upcoming changes to the borrowing benchmark, the London Interbank Offered Rate (LIBOR). Tax reform has changed the calculation of interest owed on the amount borrowed from private banks, resulting in an increase in pricing from the original three-year agreement. LIBOR, commonly used to calculate interest rates paid on amounts borrowed in bank lending agreements, will be phased out in 2021. Wells Fargo proposed a two-and-a-quarter year extension of the agreement priced in-line with rates currently being charged on the NPA and having an expiration date which precedes the phase out of LIBOR.

Business terms of the extension of the NPA are as follows:

Maturity: Two-and-a-quarter years, expiring in August 2020

Notional Amount: \$100,000,000

Interest Benchmark: LIBOR

Utilized fee: 80% of one month LIBOR + 43 basis points on drawn amount

Unutilized fee: 21.5 basis point fee on unused amount

Projected All-In Cost: 2.35%

SUMMARY

During the last three years, Tacoma Power successfully utilized the Wells Fargo NPA to interim finance approximately \$80 million of capital project expenses. Tacoma Power recently issued the Series 2017 Electric System Revenue Bonds to repay the amounts borrowed under the Wells Fargo NPA. Implementation of this agreement allowed for a more cost effective and efficient management of capital construction compared to issuing long-term bonds as Tacoma Power could more closely match its draws on the Wells Fargo agreement with the amount and timing of its capital projects. Use of the Wells Fargo NPA has saved Tacoma Power an estimated \$10.6 million in debt service costs over the course of the agreement. Tacoma Power is nearing the end of the agreement with Wells Fargo and would like to extend it for another two-and-a-quarter years.

AUTHORIZATION

We request your approval to submit this matter to the Public Utility Board for their consideration.

APPROVED:



Linda McCrea
Interim Director of Utilities



Req. # _____

ORDINANCE NO.

1 AN ORDINANCE of the City of Tacoma, Washington, relating to Tacoma Power,
2 approving a Supplemental Ordinance; authorizing the extension of the City's
3 Electric System Subordinate Revenue Note, Series 2015A in the principal
4 amount of not to exceed \$100,000,000 and an amendment to the Note
5 Purchase Agreement with Wells Fargo Municipal Capital Strategies, LLC to
6 provide funds to finance or refinance costs of capital improvements to the
7 Electric System; fixing certain terms and provisions thereof; and approving
8 certain other matters in connection therewith.

9 WHEREAS the City of Tacoma, Washington (the "City"), by Ordinance
10 No. 23514, passed on November 20, 1985 (as amended and supplemented,
11 including as amended and restated by Ordinance No. 28146, passed on April 30,
12 2013, collectively, the "Senior Bond Ordinance"), authorized electric system
13 revenue bonds of the City (the "Senior Bonds") to be issued in series having a
14 parity of lien and charge on the Revenues of the Electric System after the payment
15 of Operating Expenses (as those terms are defined therein), if certain conditions
16 are met, and made covenants in connection with the issuance of such Senior
17 Bonds, and

18 WHEREAS the Senior Bond Ordinance permits the City to issue obligations
19 that are junior and subordinate to the payment of the Senior Bonds and that are
20 payable out of Revenues of the Electric System, after payment of Operating
21 Expenses, only after the prior payment of all amounts required to be paid or set
22 aside under the Senior Bond Ordinance for the Senior Bonds, as the same shall
23 become due at the times and in the manner as required in the Senior Bond
24 Ordinance, and



1 WHEREAS on April 21, 2015, the City Council passed Ordinance No. 28295
2 (the "Master Subordinate Ordinance") to authorize a new issue of revenue bonds
3 of the City, junior and subordinate to the Senior Bonds, to be known as the City of
4 Tacoma Electric System Subordinate Revenue Bonds (the "Subordinate Bonds") in
5 one or more series to finance costs of the Electric System, and
6

7 WHEREAS pursuant to the Master Subordinate Ordinance and Ordinance
8 No. 28296 adopted by the City Council on April 21, 2015 (the "First Supplemental
9 Ordinance"), the City, acting through its Department of Public Utilities, Light
10 Division (dba "Tacoma Power"), issued its Electric System Subordinate Revenue
11 Note, Series 2015A to evidence a revolving line of credit in the principal amount of
12 not to exceed \$100,000,000 (the "2015A Note"), and
13

14 WHEREAS the 2015A Note was sold to and purchased by Wells Fargo
15 Municipal Capital Strategies, LLC ("Wells Fargo") by private sale pursuant to the
16 terms of the Note Purchase Agreement dated May 1, 2015 (the "Original Note
17 Purchase Agreement"), between Wells Fargo and the City, acting by and through
18 its Public Utilities Board (the "Board"), and
19

20 WHEREAS during the last three years, Tacoma Power successfully utilized
21 the 2015A Note and the Original Note Purchase Agreement to finance
22 approximately \$80 million of capital projects, which were recently refinanced on a
23 long-term basis with proceeds of its Electric System Revenue Bonds, Series 2017,
24 leaving a balance of approximately \$250,000 outstanding on the 2015A Note, and
25
26



1 WHEREAS implementation of the 2015A Note and the Original Note
2 Purchase Agreement has allowed for a more cost effective and efficient
3 management of capital construction compared to issuing long-term bonds as
4 Tacoma Power could more closely match its draws on the line of credit with the
5 amount and timing of its capital projects, and
6

7 WHEREAS the 2015A Note is scheduled to expire on May 11, 2018, unless
8 such date is extended under the terms of the Original Note Purchase Agreement,
9 and
10

11 WHEREAS the Board has initiated and has recommended to the Council for
12 its approval the extension of the expiration date of the 2015A Note until August
13 2020 to provide financing for capital projects of the Electric System in 2019 and
14 2020, and
15

16 WHEREAS to extend the expiration date and to make other revisions
17 related to such extension, Wells Fargo has requested that Tacoma Power enter
18 into an amendment to the Original Note Purchase Agreement (the "First
19 Amendment," and the Original Note Purchase Agreement as amended by the First
20 Amendment, and as it may be further amended from time to time, is referred to as
21 the "Note Purchase Agreement"), and
22

23 WHEREAS the extension of the expiration date and the execution of the
24 First Amendment will be treated (as of the date of the First Amendment) as a new
25 issue for federal income tax purposes, and
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WHEREAS the Council now desires to authorize the extension of the expiration date of the 2015A Note and the execution of the First Amendment and related documents as provided herein,

Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions and Interpretation of Terms. Unless otherwise defined in the recitals and elsewhere in this Supplemental Ordinance, capitalized terms used herein shall have the meanings set forth in the Master Subordinate Ordinance and First Supplemental Ordinance.

ARTICLE II

PARITY AND OTHER FINDINGS

Section 2.1. Parity Findings. In connection with the extension of the 2015A Note, the City hereby makes the following findings:

(a) There is, and as of the effective date of the First Amendment there will be, no deficiency in the Bond Fund, and no Event of Default has occurred or shall have occurred and being continuing.

(b) The principal of and interest on the 2015A Note shall continue to be paid out of the Bond Fund and subject to the terms of the Master Subordinate Ordinance, the First Supplemental Ordinance and the Note Purchase Agreement.



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(c) On the effective date of the First Amendment, there will be on file with the City, if necessary, a certificate satisfying the conditions set forth in Section 6.1 of the Master Subordinate Ordinance.

Section 2.2. Findings as to Sufficiency of Gross Revenue. The City hereby confirms, finds and determines that the Revenues of the Electric System at the rates to be charged for power and other services and commodities from the Electric System will be more than sufficient to meet all Operating Expenses, to make all required payments with respect to the Senior Bonds, and to permit the setting aside into the Bond Fund out of the Revenues of amounts sufficient to pay the principal of and interest on the 2015A Note as extended and when due at maturity and upon any mandatory sinking fund redemption thereof. The City further finds and determines that in creating the Bond Fund and in fixing the amounts to be paid into the Bond Fund, it has exercised due regard for Operating Expenses, and the City has not bound and obligated itself to set aside and pay into the Bond Fund a greater amount or proportion of the Revenues than in the judgment of the City will be available over and above the Operating Expenses.



1 ARTICLE III

2 AUTHORIZATION

3 Section 3.1. Authorization of Extension of 2015A Note.

4 (a) The City hereby authorizes the extension of and amendment to the
5 2015A Note, pursuant to and in accordance with this Supplemental Ordinance and
6 the First Amendment.
7

8 (b) The 2015A Note, as extended, shall be in the amount of not to
9 exceed \$100,000,000 Outstanding at any time.
10

11 (c) The terms of the 2015A Note, as extended, shall otherwise be as set
12 forth in the Note Purchase Agreement. The principal of and interest on the 2015A
13 Note shall be due and payable at the rates, on the dates and in the manner as set
14 forth in the Note Purchase Agreement. The 2015A Note shall be subject to
15 mandatory and optional redemption and to mandatory tender for purchase prior to
16 maturity on the dates and at the prices as set forth in the Note Purchase
17 Agreement. The City Treasurer shall continue to be designated as the Paying
18 Agent for the 2015A Note in accordance with the Master Subordinate Ordinance.
19

20 (d) Advances drawn by the City under the 2015A Note shall be
21 disbursed as provided in the First Supplemental Ordinance to pay costs of the
22 2015A Note Projects, as such projects may be supplemented and amended from
23 time to time as provided in the First Supplemental Ordinance, to currently refund
24 the outstanding balance on the 2015A Note, and to pay costs associated with the
25
26



1 First Amendment and extension of the 2015A Note. The Plan of Additions, as
2 supplemented and amended from time to time, are hereby confirmed.

3 Section 3.2. First Amendment to Original Note Purchase Agreement. The
4 First Amendment to the Original Note Purchase Agreement, in the form presented
5 at this meeting and on file with the City Clerk, is hereby approved. The Director of
6 Public Utilities, or in the alternative, the Tacoma Power Superintendent, is hereby
7 authorized to approve the final terms and conditions of the First Amendment in
8 coordination with Bond Counsel, the Financial Advisor and the City Attorney's
9 Office, and to execute and implement the First Amendment (including the payment
10 of any financing costs associated with the delivery of the First Amendment), and
11 such approval shall be conclusively evidenced by his or her execution thereof.
12

13 Section 3.3. Form of 2015A Note; Purchaser. The definitive replacement
14 2015A Note shall be in substantially the form set forth in Exhibit A attached to the
15 First Supplemental Ordinance and made a part hereof, with appropriate variations,
16 omissions and insertions as shall be required or appropriate consistent with the
17 Master Subordinate Ordinance, the First Supplemental Ordinance and this
18 Supplemental Ordinance to reflect the extension as provided herein.
19

20 A 2015A Note certificate reflecting the terms of the First Amendment shall
21 be delivered to Wells Fargo, or its affiliate, pursuant to and in accordance with the
22 Note Purchase Agreement. The City hereby authorizes the assignment and
23
24
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1 transfer of the 2015A Note to an affiliate of Wells Fargo, as provided in the First
2 Amendment.

3
4 ARTICLE IV
5 MISCELLANEOUS

6 Section 4.1. Ratification of Prior Acts. Any action taken consistent with the
7 authority and prior to the effective date of this Supplemental Ordinance is ratified,
8 approved, and confirmed.

9 Section 4.2. General Authorization. The appropriate officers, agents, and
10 employees of the City are authorized and directed to execute and deliver such
11 documents, agreements and certificates, including but not limited to a federal tax
12 certificate setting forth the requirements of the Code for maintaining the tax
13 exemption of interest on the 2015A Note, and to take such other actions, upon
14 consultation with the City Attorney, as may be necessary or desirable and in the
15 best interests of the City to effect the accomplishment of the extension of the
16 2015A Note and execution and delivery of the First Amendment and to carry out
17 the purposes and intents of this Supplemental Ordinance and the transactions
18 contemplated thereby.

19 Section 4.3. Terms of 2015A Note Subject to the Master Subordinate
20 Ordinance and the First Supplemental Ordinance; Ratification. Except as
21 expressly provided herein, every term and condition contained in the Master
22 Subordinate Ordinance and the First Supplemental Ordinance shall apply to this
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Supplemental Ordinance and the 2015A Note with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modification as may be appropriate to make the same conform to this Supplemental Ordinance.

Except as supplemented and amended by this Supplemental Ordinance, the Master Subordinate Ordinance and the First Supplemental Ordinance are hereby ratified, approved and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented.

Section 4.4. Provisions of Note Purchase Agreement. The terms and provisions of the 2015A Note as set forth in the Note Purchase Agreement shall control over any inconsistent provision of this Supplemental Ordinance.



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Section 4.5. Effective Date of Ordinance. This Supplemental Ordinance shall take effect and be in force immediately after its passage, approval and publication as required by law.

Passed: _____

Mayor

Attest:

City Clerk

Approved as to form and legality:
Pacifica Law Group LLP
Bond Counsel

By _____



CLERK'S CERTIFICATE

1 I, the undersigned, the duly chosen, qualified City Clerk of the City of
2 Tacoma, Washington, and keeper of the records of the Council (herein called the
3 "Council"), DO HEREBY CERTIFY:
4

5 1. That the attached Ordinance No. ____ (herein called the
6 "Ordinance") is a true and correct copy of an Ordinance of the Council, as finally
7 passed at a regular meeting of the Council held on the 8th day of May, 2018, and
8 duly recorded in my office.
9

10 2. That said meeting was duly convened and held in all respects in
11 accordance with law, and to the extent required by law, due and proper notice of
12 such meeting was given; that a legal quorum was present throughout the meeting
13 and a legally sufficient number of members of the Council voted in the proper
14 manner for the passage of said Ordinance; that all other requirements and
15 proceedings incident to the proper passage of said Ordinance have been duly
16 fulfilled, carried out and otherwise observed, and that I am authorized to execute
17 this certificate.
18

19 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
20 official seal of the City as of this 8th day of May, 2018.
21

22
23 _____
24 City Clerk
25 City of Tacoma, Washington
26

FIRST AMENDMENT TO NOTE PURCHASE AGREEMENT

This FIRST AMENDMENT TO NOTE PURCHASE AGREEMENT (this "*Amendment*") is dated May 11, 2018 (the "*Amendment Date*"), between CITY OF TACOMA, WASHINGTON, a municipal corporation duly organized and existing under the laws of the State of Washington, acting by and through its Public Utilities Board (the "*Borrower*"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as successor to Wells Fargo Municipal Capital Strategies, LLC pursuant to Section 4.02 of this Amendment. All capitalized terms herein and not defined herein shall have the meanings set forth in the hereinafter defined Original Agreement.

WITNESSETH

WHEREAS, the Borrower and Wells Fargo Municipal Capital Strategies, LLC, as the initial Purchaser, have entered into that certain Note Purchase Agreement dated as of May 1, 2015 (the "*Original Agreement*," and as amended by this Amendment and as it may be further amended, restated, supplemented or otherwise modified from time to time, the "*Agreement*");

WHEREAS, pursuant to Section 9.03 of the Original Agreement, the Original Agreement may be amended by a written amendment thereto executed by the Borrower and the hereinafter defined Purchaser; and

WHEREAS, pursuant to Section 9.12 of the Original Agreement and Section 4.02 of this Amendment, Wells Fargo Municipal Capital Strategies, LLC, is transferring its rights as "Purchaser" to Wells Fargo Bank, National Association (the "*Purchaser*") concurrently herewith; and

WHEREAS, the Purchaser has agreed to make certain amendments to the Original Agreement subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. AMENDMENTS.

Upon the satisfaction of the conditions precedent set forth in Section 2 hereof, the Original Agreement is hereby amended as follows:

1.01. The following definitions in Section 1.01 of the Original Agreement are hereby amended and restated in their entirety to read as follows:

“*Applicable Factor*” means (i) during the Initial Period, (A) from and including the Effective Date to but not including May 11, 2018, 70%, and (B) from and including May 11, 2018 and at all times thereafter, 80%; and (ii) during any other Index Rate Period, with an Approving Opinion, such other percentage as may be designated in

writing by the Borrower as the Applicable Factor for such Index Rate Period pursuant to Section 3.10.”

““*Applicable Spread*” means, with respect to each Index Rate Period, the following:

(a) During the Initial Period:

(i) from the Effective Date to but not including May 11, 2018, as set forth in the following schedule:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
Level 1	Aa3 or above	AA- or above	AA- or above	0.35%
Level 2	A1	A+	A+	0.40%
Level 3	A2	A	A	0.50%
Level 4	A3	A-	A-	0.65%
Level 5	Baa1	BBB+	BBB+	0.90%
Level 6	Baa2	BBB	BBB	1.25%
Level 7	Baa3 or below	BBB- or below	BBB- or below	1.75%

(ii) From and including May 11, 2018, and at all times thereafter, as set forth in the following schedule:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
Level 1	Aa3 or above	AA- or above	AA- or above	0.43%
Level 2	A1	A+	A+	0.48%
Level 3	A2	A	A	0.58%
Level 4	A3	A-	A-	0.73%
Level 5	Baa1	BBB+	BBB+	0.98%
Level 6	Baa2	BBB	BBB	1.33%
Level 7	Baa3 or below	BBB- or below	BBB- or below	1.83%

In the event of any change in any Rating in the subparagraphs (a)(i) or (a)(ii) above, the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the related schedule. If Ratings are in effect from any two of Moody's, S&P and Fitch, the Applicable Spread shall be equal to the Level set forth above corresponding to the lower Rating from either of such Rating Agencies. If Ratings are in effect from all three of Moody's, S&P and Fitch and only two of such Ratings are equivalent, the Applicable Spread shall be equal to the Level set forth above corresponding to such two equivalent Ratings. If Ratings are in effect from all three of Moody's, S&P and Fitch, and none of

such Ratings are equivalent, the Applicable Spread shall be equal to the Level set forth above corresponding to the middle Rating. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. The Borrower acknowledges that as of the First Amendment Effective Date the Applicable Spread is that specified above for Level 1 in subparagraph (ii) above. Any change in the Applicable Spread shall apply to the LIBOR Index Reset Date next succeeding the date on which the change occurs.

(b) During any Index Rate Period other than the Initial Period, the number of basis points determined by the Borrower and the Purchaser on or before the first day of such Index Rate Period and designated by the Borrower in accordance with Section 3.10 (which may include a schedule for the Applicable Spread based upon the ratings assigned to the long term debt of the Borrower as described in subparagraph (a) in this definition) that, when added to the product of the LIBOR Index multiplied by the Applicable Factor (and multiplied by the Margin Rate Factor), as applicable, would equal the minimum interest rate per annum that would enable the Note to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon)."

“*Commitment Expiration Date*” means the later of (a) 5:00 p.m. New York City time on August 8, 2020, and (b) 5:00 p.m. New York City time on the last day of any extension of such date pursuant to Section 3.10 hereof or, if such last day is not a Business Day, the Business Day next preceding such day.”

“*Event of Taxability*” means the date on which all or any portion of the interest paid or payable on the Note is includable, in whole or in part, in the gross income of the Noteholder.”

“*Initial Purchaser*” means (i) from the Effective Date to but not including the First Amendment Effective Date, Wells Fargo Municipal Capital Strategies, LLC, and (ii) from and including the First Amendment Effective Date and at all times thereafter, Wells Fargo Bank, National Association.”

“*LIBOR*” means the rate of interest per annum determined by the Calculation Agent based on the rate for United States dollar deposits for delivery on the LIBOR Index Reset Date for a period equal to one month as reported on Reuters Screen LIBOR01 page (or any successor page) at approximately 11:00 a.m., London time, on each Computation Date (or if not so reported, then as determined by the Calculation Agent from another recognized source of interbank quotation). Notwithstanding anything to the contrary in the foregoing, in the

event that LIBOR shall be equal to or less than zero percent (0.0%), LIBOR shall be deemed to be zero percent (0.0%).”

“*Majority Noteholder*” means the Noteholders with a majority of the aggregate ownership interest in advances evidenced by the Note from time to time. As of the First Amendment Effective Date, Wells Fargo Bank, National Association, shall be the Majority Noteholder.”

“*Margin Rate Factor*” means the greater of (i) 1.0 and (ii) the product of (a) one minus the prevailing Maximum Federal Corporate Tax Rate multiplied by (b) the quotient of (1) one divided by (2) one minus the Maximum Federal Corporate Tax Rate on the MRF Pricing Date. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change. As of the First Amendment Effective Date, the Margin Rate Factor is 1.0.”

“*Maximum Federal Corporate Tax Rate*” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser). As of the First Amendment Effective Date, the Maximum Federal Corporate Tax Rate is 21%.”

“*Purchaser*” means, initially, Wells Fargo Bank, National Association, and its successors and assigns, and upon the receipt from time to time by the Paying Agent and the Borrower of a notice described in Section 9.12(a) from time to time means the Person designated in such notice as the Purchaser, as more fully provided in Section 9.12(a) hereof.”

“*Purchaser Affiliate*” means the Purchaser and any Affiliate of the Purchaser, and includes, without limitation, Wells Fargo Municipal Capital Strategies, LLC, and Wells Fargo Securities (a trade name).”

“*Rating*” means the long-term unenhanced credit rating assigned by any Rating Agency to any Senior Debt, at the request of the Borrower.”

“*Scheduled Mandatory Tender Date*” means the Commitment Expiration Date, which, for the avoidance of doubt, initially means August 8, 2020.”

“*Tax Certificate*” means that certain Tax Certificate dated May 12, 2015, or the Tax Certificate dated as of the First Amendment Effective Date, as applicable, each by the Borrower, relating to the Note, as the same may be amended or supplemented from time to time.”

““*Taxable Rate*” means, with respect to a Taxable Period, the product of (i) the average interest rate on the Note during such period and (ii) Taxable Rate Factor.”

1.02. The following definitions are hereby added to Section 1.01 of the Original Agreement in the appropriate alphabetical order to read as follows:

““*First Amendment Effective Date*” means May 11, 2018.”

““*MRF Pricing Date*” means the First Amendment Effective Date, and any subsequent date on which (i) either the Scheduled Mandatory Tender Date or the Commitment Expiration Date is modified or (ii) the interest rate on the Note is converted pursuant to Section 3.10 of the Agreement.”

““*Taxable Rate Factor*” means, for each day that the Taxable Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.”

1.03. Section 3.01(c) of the Original Agreement is hereby amended and restated in its entirety to read as follows:

“(c) The Borrower shall pay or cause to be paid to the Initial Purchaser on July 1, 2015, for the period commencing on the Effective Date, to and including June 30, 2015, and in arrears on the first Business Day of each October, January, April and July to occur thereafter to the Termination Date, and on the Termination Date, a non-refundable commitment fee (the “*Commitment Fee*”) in an amount equal to the product of the Rating (as defined below) then in effect as specified in the subparagraphs (i) and (ii) below (the “*Commitment Fee Rate*”) and the daily average Unutilized Amount during the related quarterly period, at the rates set forth in subparagraphs (i) and (ii) below:

(i) From and including the Effective Date to but not including May 11, 2018, as set forth in the following schedule:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 1	Aa3 or above	AA- or above	AA- or above	0.175%
Level 2	A1	A+	A+	0.225%
Level 3	A2	A	A	0.275%
Level 4	A3	A-	A-	0.325%
Level 5	Baa1	BBB+	BBB+	0.475%
Level 6	Baa2	BBB	BBB	0.725%
Level 7	Baa3 or below	BBB- or below	BBB- or below	1.075%

(ii) From and including May 11, 2018, and at all times thereafter, as set forth in the following schedule:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 1	Aa3 or above	AA- or above	AA- or above	0.215%
Level 2	A1	A+	A+	0.265%
Level 3	A2	A	A	0.315%
Level 4	A3	A-	A-	0.365%
Level 5	Baa1	BBB+	BBB+	0.515%
Level 6	Baa2	BBB	BBB	0.765%
Level 7	Baa3 or below	BBB- or below	BBB- or below	1.115%

If Ratings are in effect from any two of Moody's, S&P and Fitch, the Commitment Fee Rate shall be equal to the Level set forth above corresponding to the lower Rating from either of such Rating Agencies. If Ratings are in effect from all three of Moody's, S&P and Fitch and only two of such Ratings are equivalent, the Commitment Fee Rate shall be equal to the Level set forth above corresponding to such two equivalent Ratings. If Ratings are in effect from all three of Moody's, S&P and Fitch, and none of such Ratings are equivalent, the Commitment Fee Rate shall be equal to the Level set forth above corresponding to the middle Rating. Any change in the Commitment Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. Upon the occurrence and during the continuance of an Event of Default (whether or not the Purchaser declares an Event of Default in connection therewith), the Commitment Fee Rate shall immediately and without notice increase by two percent (2.00%) per annum above the Commitment Fee Rate otherwise in effect. The Commitment Fee shall be payable quarterly in arrears, together with interest on the Commitment Fee from the date payment is due until payment in full at the Default Rate. The Borrower acknowledges that as of the First Amendment Effective Date the Commitment Fee Rate is that specified above for Level 1 in subparagraph (ii) above."

1.03. Section 3.02 of the Original Agreement is hereby amended and restated in its entirety to read as follows:

"Section 3.02. Default Rate. Upon the occurrence and during the continuance of an Event of Default and, for the avoidance of doubt, during the

Directed Amortization Period after the Directed Mandatory Tender Date, the Obligations of the Borrower hereunder (to the extent a rate is not otherwise specified) shall bear interest at the Default Rate, which shall be payable by the Borrower to each Noteholder (or, if applicable, the Purchaser) upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed.”

1.04. Section 5.27 of the Original Agreement is amended and restated in its entirety to read as follows:

“Section 5.27. Reserved.”

1.05. Section 6.03(b) of the Original Agreement is hereby amended and restated in its entirety to read as follows:

“(b) Unaudited Quarterly Financials; Quarterly Compliance Certificates. As soon as available, and in any event within 60 days after the end of each calendar quarter ending March 31, June 30 and September 30, (i) the unaudited financial statements of the Borrower, including the balance sheet as of the end of such calendar quarter and a statement of income and expenses, all in reasonable detail and certified, subject to year-end adjustment and (ii) a Compliance Certificate signed by an appropriate officer of the Borrower stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default.”

1.06. Section 9.05 of the Original Agreement is amended by amending and restating the portion thereof relating to the Purchaser as follows:

“The Purchaser:	Wells Fargo Bank, National Association
	1248 O Street
	Lincoln, Nebraska 68508
	Attention: Monica Balters
	Telephone: (402) 434-4241
	E-mail: monica.l.balters@wellsfargo.com

The Purchaser with respect to any Request for Advance: Wells Fargo Bank, National Association
1248 O Street
Lincoln, Nebraska 68508
Attention: Monica Balters
Telephone: (402) 434-4241
E-mail: monica.l.balters@wellsfargo.com

With a copy to: E-mail: readie.callahan@wellsfargo.com
E-mail: ryan.greene@wellsfargo.com
E-mail: matthew.antunes@wellsfargo.com
E-mail: madeline.d.smith@wellsfargo.com
E-mail: jason.pollack@wellsfargo.com”

1.07. The Section 9.12(a) and 9.12(b) of the Original Agreement are hereby amended and restated in their entirety to read as follows:

“(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the Borrower, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns. The Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser. For avoidance of doubt, the Purchaser may not assign its obligation to make Advances hereunder unless the Purchaser receives the written consent of each of the Borrower and the Paying Agent. Each Noteholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Note and the Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Wells Fargo Bank, National Association, shall be the Purchaser hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the Borrower and the Paying Agent and such Person accepts and agrees to act as the Purchaser hereunder and under the Related Documents. The Majority Noteholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the Borrower and the Paying Agent, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Wells Fargo Bank, National Association, or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

(b) *Sales and Transfers by Noteholder to a Purchaser Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of its ownership interest in the Note to a Person that is (i) a Purchaser Affiliate or (ii) a trust or other custodial arrangement established by the Purchaser or a Purchaser Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Purchaser Transferee*”). From and after the date of such sale or transfer, Wells Fargo Bank, National Association (and its successors), shall continue to have all of the rights of the Purchaser hereunder and under the Related Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the Borrower and the Paying Agent shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the Borrower.”

1.08. Article IX of the Original Agreement is hereby amended by the addition of the following Section 9.13 in the appropriate order thereto:

“Section 9.13. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification of this Agreement or of any Related Document), the Borrower acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement and the Related Documents provided by the Purchaser or any Affiliate of the Purchaser are arm’s length commercial transactions between the Borrower on the one hand, and the Purchaser and any Affiliate of the Purchaser on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement and the Related Documents; (b)(i) the Purchaser and each Affiliate of the Purchaser is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any other Person and (ii) neither the Purchaser nor any Affiliate of the Purchaser has any obligation to the Borrower with respect to the transactions contemplated by this Agreement and the Related Documents, except those obligations expressly set forth herein; and (c) the Purchaser and each Affiliate of the Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, and neither the Purchaser nor any Affiliate of the Purchaser has any obligation to disclose any of such interests to the Borrower. To the fullest extent permitted by applicable Laws, the Borrower hereby waives and releases any claims that it may have against the Purchaser and each Affiliate of the Purchaser with respect to any breach or alleged breach of agency or fiduciary

duty in connection with any aspect of the transactions contemplated by this Agreement and the Related Documents.”

1.09. Each reference to “Wells Fargo Municipal Capital Strategies, LLC” set forth in Exhibits A, B, C, D, E, and F of the Original Agreement shall be replaced in each instance with “Wells Fargo Bank, National Association.”

2. CONDITIONS PRECEDENT.

This Amendment shall be effective as of the Amendment Date subject to the satisfaction of or waiver by the Purchaser of all of the following conditions precedent:

2.01. Delivery by the Borrower of an executed (a) counterpart of this Amendment, (b) Ordinance No. [____] passed by the City Council on [May __, 2018] (the “*Supplemental Ordinance*”) and (c) IRS Form 8038-G.

2.02. The following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Borrower contained in Article V of the Original Agreement are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date); and

(b) no Default or Event of Default nor any condition, event or act which with the giving of notice or the passage of time or both would constitute an Event of Default has occurred and is continuing or would result from the execution of this Amendment.

2.03. Receipt by the Purchaser of (a) an authorizing resolution of the Public Utilities Board as the governing body of the Borrower approving this Amendment, the Supplemental Ordinance and the extension of and amendments to the Note, (b) an executed replacement Note naming Wells Fargo Bank, National Association, as holder, (c) a certificate dated the Amendment Date and executed by a Borrower Representative certifying the names and signatures of the persons authorized to sign, on behalf of the Borrower, this Amendment and the Supplemental Ordinance and the other documents to be delivered by it hereunder or thereunder, and (d) an opinion of Note Counsel, on which the Purchaser is entitled to rely, in form and substance reasonably acceptable to the Purchaser, to the effect that interest on the Note is excludable from gross income for federal income tax purposes, and including such other customary matters as the Purchaser may reasonable request.

2.04. Payment to counsel to the Purchaser its reasonable fees and expenses in connection herewith.

2.05. All other legal matters pertaining to the execution and delivery of this Amendment shall be reasonably satisfactory to the Purchaser and its counsel.

3. REPRESENTATIONS AND WARRANTIES OF THE BORROWER.

In addition to the representations given in Article V of the Original Agreement, the Borrower hereby represents and warrants as follows:

3.01. The execution, delivery and performance by the Borrower of this Amendment and the Original Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Borrower.

3.02. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Amendment or the Original Agreement, as amended hereby.

3.03. This Amendment and the Original Agreement, as amended hereby, constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of the Borrower, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

4. MISCELLANEOUS.

4.01. Except as specifically amended herein, the Original Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Original Agreement, it being hereby agreed that any reference to the Original Agreement shall be sufficient to refer to, and shall mean and be a reference to, the Original Agreement, as hereby amended and as it may be further amended in the future in accordance with its terms. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. All capitalized terms used herein without definition shall have the same meanings herein as they have in the Original Agreement. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF WASHINGTON WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

4.02. On the Amendment Date, Wells Fargo Municipal Capital Strategies, LLC, in its capacity as the (i) Initial Purchaser, (ii) Purchaser and (iii) Majority Noteholder, transfers its (x) obligation to make Advances under the Agreement and (y) interest in the Note and the other Related Documents, to Wells Fargo Bank, National Association, an Affiliate thereof, in accordance with Section 9.12(a) and Section 9.12(b) of the Agreement, as applicable, and Section 4.3(d) of the Master Subordinate Bond Ordinance and Section 3.3 of the Supplemental Ordinance. Pursuant to Section 9.12(a) of the Agreement, the Borrower and Paying Agent hereby

consent to, and waive their respective right to written notice of, the designation by Wells Fargo Municipal Capital Strategies, LLC, of Wells Fargo Bank, National Association, as "Purchaser" under the Agreement and the transfer of any and all rights under the Note and the Related Documents thereto.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the Amendment Date.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Purchaser

By _____
Name:
Title:

CITY OF TACOMA, WASHINGTON, as Borrower

By _____
Name: _____
Title: _____

ACKNOWLEDGED AND CONSENTED TO BY:

WELLS FARGO MUNICIPAL CAPITAL
STRATEGIES, LLC, as Initial Purchaser

By _____
Name: Kristina Eng
Title: Vice President

CITY OF TACOMA, as Paying Agent

By _____
Name:
Title: