



APPROVED 7/12/23

MINUTES
City of Tacoma
Public Utility Board Meeting
June 14, 2023
6:30 p.m.

Mr. Watson called the Public Utility Board meeting to order at 6:30 p.m.

Present: William Bridges; Elly Claus-McGahan; Carlos Watson; John O’Loughlin
Excused: Holland Cohen

Minutes of the Previous Meetings

Mr. O’Loughlin moved that the minutes of the previous meetings be adopted; seconded by Mr. Bridges. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

There were no comments by the public.

Recognitions

70th Anniversary of the Public Utility Board

Chair Watson stated that on June 1, 1953, the City Council passed Ordinance No. 14806 which authorized the Board to conduct the affairs of City Light, City Water, and the Municipal Beltway. These are known today as Tacoma Power, Tacoma Water, and Tacoma Rail. Chair Watson thanked dignitaries in attendance, Deputy Mayor Walker, and former Board Members Jake Fey, Laura Fox, Dave Nelson, Monique Valenzuela, Bryan Flint, and Chrissy Cooley. A video production commemorating the event was then shared. All dignitaries in attendance made positive remarks about the Board’s service and how they valued their time on the Board. Current Board Members and Director Flowers then made positive remarks about the occasion and the importance of the Board’s role.

Regular Agenda

D-1 Resolution U-11386– Award contracts and approve purchases:

1. Award three-year contract to Colehour + Cohen, Inc., for customized media strategy, planning and buying services, on-call public relations, and marketing support (\$700,000, plus applicable taxes. Includes option to renew for an additional three, one-year periods for a projected contract amount of \$700,000, plus applicable taxes) [Rebekah Anderson, Communications Sr. Manager];

2. Award contract to Coast Rail, Inc., for approximately 820 lineal feet of new rail, to include four turnouts and other associated track renewals (\$927,485, plus applicable taxes) [Kyle Kellem, Roadmaster].

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges:

In response to a Board request for additional information on item number one, Julie Sallenbach, Communications and Marketing Analyst, shared that this is to support power energy programs and marketing and the energy independence act. It is also used for other internal groups requiring these services. This vendor was selected using a competitive RFP process. Design is done in-house with flexibility to use the consultant is needed, i.e., media buys. There have been other contracts with media buying services. There are no existing citywide or statewide contracts to piggyback.

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

- D-2 Resolution U-11387 – Authorize the amendment of the Tacoma Link Joint Operating Agreement to revise and add certain terms and conditions mutually agreed upon with Sound Transit.

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Corey Newton, Public Works Engineering Division Manager, summarized the resolution. Sound Transit operates the LINK passenger rail system from the Tacoma Dome to the City's theater district with various stops that use power. Public Works, Tacoma Power, and Sound Transit entered into a Joint Operating Agreement in 2011, through Tacoma Public Utility Board Resolution No. U-10489 and entered into a subsequent Memorandum of Agreement (MOA) through Resolution No. U-10916 in 2017. An amendment to the agreement is requested to revise and add certain terms and conditions mutually agreed upon, to include the following: City Provided Train Signal Operation and Maintenance; Traffic Control, Maintenance and Services; Solid Waste Services; Street Lighting; Street Sweeping, Snow Removal and Deicing; Tree Trimming; Signal Timing; Theater District Station Maintenance. By this resolution, the City is authorized to reimburse Sound Transit for the maintenance services performed at the Theatre District Station, and any other City built Station, budgeted from the PW Street Fund.

In response to a Board request to clarify TPU's role in this agreement, Corey Newton shared that the original agreement included TPU mainly for electrical clearances. The new amendment has minimal electrical clearance provisions, but the Board's approval is requested to keep in alignment with past PUB resolutions since TPU was a signatory on the original agreement.

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

- D-3 Resolution U-11388 – Authorize Tacoma Power to enter into an energy conservation agreement with KMH Housing LLC, a state-licensed marijuana business [Alan Fraser, Customer Energy Programs].

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Alan Fraser, Customer Energy Program Engineer, summarized the resolution. Tacoma Power has proposed an energy conservation agreement with KMH Housing LLC (KMH). KMH is a state licensed marijuana business and per Resolution U-10792, there are specific requirements for transactions over \$200,000, including Public Utility Board approval. In order to expand production and reduce utility expenses, KMH intends to install LEDs rather than conventional energy intensive lights and is requiring assistance through the funding of an energy conservation agreement.

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

D-4 Resolution U-11389 – Approve declaration of surplus transformers no longer needed for Tacoma Power's current or future needs and authorize the sale surplus transformers to the highest responsive bidder.

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Sean Veley, Sr. Power Field Operations Supervisor, summarized the resolution. Tacoma Power, originally acquired for public utility purposes, 374 distribution transformers, listed on the declaration of surplus property. Tacoma Power has determined that the equipment is no longer necessary for providing continued public utility service due to age, reliability and damage, and is deemed surplus to Tacoma Power's needs pursuant to the applicable provisions in RCW 35.94.040 and TMC 1.06.272-27. The equipment has an estimated resale value of \$30,000.

In response a Board request for historical information, Mr. Veley shared that Power went through more transformers than normal during the pandemic. Staff has been holding on to these transformers due to market conditions. The market will determine whether or not remanufacturing or scrapping will be the disposal means of these transformers.

Prior to voting on this matter, a public hearing was held in accordance with RCW 35.94.040 and TMC 1.06.2762-278. There was no public comment.

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

D-5 Resolution U-11390 – Authorize Tacoma Rail to execute Amendment No. 1 to the Washington State Department of Transportation Rail Bank Loan numbered RRB-1269.

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Kyle Kellem, Roadmaster, summarized the resolution. Tacoma Rail entered into three loan agreements with Washington State Department of Transportation (WSDOT) for separate improvement projects through Resolution U-11280. One of the loan agreements, specifically No. RRB-1269 (Improvements to Locomotive Maintenance and Fueling Facility) partially finances the upgrade of an existing locomotive fueling and servicing facility, by replicating features on an additional track, increasing the fuel storage capacity in support of the two value added service contracts, and associated

work to enhance operational efficiencies and systems resilience. The construction contract for Agreement No. RRB-1269 was authorized through Resolution No. U-11273, item 4, on August 25, 2021. The principal amount for Agreement No. RRB-1269 is \$868,000, less a 3.23 percent administrative fee of \$28,000, and has required ten annual payments of \$86,800, beginning December 2022, plus a minimum of \$1,826,264 toward the completion of the project prior to June 30, 2023. Tacoma Rail is requesting authorization to execute Amendment No. 1, to extend the required project completion date from June 30, 2023, to December 31, 2023.

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

D-6 Resolution U-11391 – Authorize Tacoma Water to participate in the City of Tacoma, Department of Public Works Street Initiative Package #37 contract to replace concrete panels associated with the final 109 sites from the lead gooseneck replacement plan [Trish Rhay, Asst. Water Div. Mgr].

Mr. O’Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Trish Rhay, Asst. Water Division Manager, summarized the resolution. Tacoma Water is requesting authorization to participate in the City of Tacoma, Department of Public Works Street Initiative Package #37 contract. Through this participation, Tacoma Water will replace concrete panels associated with the final 109 sites from the lead gooseneck replacement plan, that replaced or confirmed replacement of more than 1,200 potential goosenecks throughout the Tacoma Water system. In order to perform the replacement work, it was necessary to excavate and restore asphalt and concrete streets. This agreement is the third and final portion of concrete restoration work required for this program and Tacoma Water is required to restore concrete panels in accordance with the City of Tacoma Right of Way Restoration Policy. The approximate cost for Tacoma Water is \$1,158,521. Tacoma Water believes it is in the best interest of the utility and its customers to include the panel replacement work and will improve project delivery, reduce project costs, mitigate future risks, and consolidate construction disturbance to residents and businesses.

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

E. Reports of the Director

There were no reports from the Director.

F. Comments by the Board

Mr. O’Loughlin mentioned that he and Board Member Claus-McGahan attended a joint GPFC/Audit Advisory Board meeting for the auditor’s entrance conference. How TPU could factor into Council work on permit fees for additional dwelling units/affordability will be brought forth for discussion at a future meeting.

G. Adjournment

Chair Watson announced that the Board study session and regular meeting of Wednesday, June 28, 2023, will be cancelled and appropriate legal notice will be posted.

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:35 p.m. until Wednesday, July 12, 2023, for a study session at 3:00 p.m., followed by a regular meeting at 6:30 p.m.

Approved:



Carlos Watson, Chair



William Bridges