



APPROVED 4-22-20

MINUTES
City of Tacoma
Public Utility Special Board Meeting
April 13, 2020
10:30 a.m.

Chair Larkin called the Public Utility Board meeting to order at 10:30 a.m. in the auditorium at Tacoma Public Utilities.

Present: Telephonically: Karen Larkin, Bryan Flint, Christine Cooley, Carlos Watson, Mark Patterson

The meeting was quorate.

Motion 20-02 - That pursuant to Tacoma Municipal Code 1.06.226 the Director of Utilities is authorized to cancel up to \$392,187.22 of the amounts owed to TPU by Advanced Stream, Inc. to ensure that the transfer of operational control of the Click! Network does not interfere with customer access to the internet and email and voice services, and to improve the viability and sustainability of the transfer by resolving certain litigation related to the transfer.

Mr. Flint moved to adopt the resolution; seconded by Mr. Patterson.

Director Flowers provided background. It is recommend to provide a reduction of the outstanding account balance of Advanced Stream, Inc. that is due and owing to Click! Network by a total of \$392,187.22, leaving a remaining outstanding account balance of \$280,611.89. Pursuant to TMC 1.06.226, the Board upon recommendation of the Director of Utilities, may authorize the cancelation of amounts owing. The recommended cancelation is intended to minimize any impact during this public health emergency to Advanced Stream customers from the transfer of operational control of the Click! Network to Rainier Connect. A reduction of the outstanding account balance will, among other things, allow the City Attorney to approve a settlement agreement with Advanced Stream that will ensure that internet service is not interrupted, enable Advanced Stream customers to continue to use their existing modems, and protect e-mail and voice services for a period of time long enough to allow those customers to obtain a new service provider. Additionally, this settlement agreement will end all litigation brought by Advanced Stream and Mitchell Shook regarding the process for disposal of surplus property and the transfer of operational control of the Click! Network to Rainier Connect North. Approval of the reduction would bring value to the Utility by reducing the on-going costs of litigation, lessening the uncertainty regarding the outcome of that litigation, removing obstacles to the successful transfer of operational control, and maintaining the

viability of the long-term use of the Tacoma Power Commercial Network by Rainier Connect. The settlement agreement is on file with the Clerk.

Board Member Patterson stated he would support the motion and that there have been previous briefings on this subject and that he is in support of the motion. Resolving the outstanding litigation has great value to the utility in terms of reduction of ongoing costs and eliminating some uncertainty.

Board Member Flint stated that he is opposed to the motion and that both the settlement and full amounts could go a long way to pay for rental and utility assistance. Mr. Flint added that everyone has a right to make their case in a public setting and court of law and that Mr. Shook has taken that opportunity and encouraged Mr. Shook to abide by the settlement agreement and move into a new phase.

Chair Larkin stated she would support the motion and she is ready to make this transition to Rainier Connect final. Rainier connect has done a good job during the transition and making sure customers didn't lose services, to the best of their ability. It is in the best interest of customers to lend certainty of this process and move forward into the future.

Voice vote was taken and carried. The motion was approved four to one with Board Member Flint in dissent.

Adjournment

There being no further business or comments, the Public Utility Board was adjourned at 10:39 a.m. until Wednesday, April 22, 2020 for a special meeting at 3:00 p.m. at Tacoma Public Utilities.

Approved:



Karen Larkin, Chair



Mark Patterson, Secretary