



APPROVED 2/12/25

MINUTES
City of Tacoma
Public Utility Board Meeting
January 25, 2025
6:30 p.m.

Chair O'Loughlin called the Public Utility Board meeting to order at 6:30 p.m.

Present: John O'Loughlin; William Bridges; Elly Claus-McGahan; Anita Gallagher

Excused: Carlos Watson

Minutes of the Previous Meetings

Mr. Bridges moved that the minutes of the previous meetings be adopted; seconded by Ms. Claus-McGahan. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

There were no comments by the public.

Regular Agenda

- C-1 Resolution U-11504 - A resolution to award certain contracts and approve certain purchases:
1. Award three-year contract to SphereCommerce, LLC to provide gateway services to integrate receipting systems to securely encrypt the City's credit card processing network (\$600,000, plus applicable taxes. Includes option to renew for two additional three-year periods for a projected amount of \$1,500,000, plus applicable taxes) [Julie Louviere, Treasury Manager];
 2. Increase and extend contract to Resound Energy Services for completion of the Electrification of Transportation Systems electric vehicle charger installation project in downtown Tacoma (\$243,154.07, plus applicable taxes. Cumulative total \$1,019,578.07, plus applicable taxes. New contract termination date extension to December 31, 2025) [Tom McCarroll, Project Manager];
 3. Award three-year contract to Asplundh Tree Expert for power line vegetation clearance crews (\$9,000,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
 4. Award two-year contracts to Potelco, Inc.; Northwest Utility Services, LLC; and Cannon Constructors for Transmission and Distribution augmented crews (\$11,000,000; \$3,000,000; and \$1,000,000, respectively plus applicable taxes. Includes option to renew for two one-year periods for a projected contract amount of \$15,000,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];

5. Increase contract to Tyndale Enterprises, Inc., for the ARC-rated, flame-resistant clothing program (\$677,000, plus applicable taxes. Cumulative total \$1,700,000, plus applicable taxes. New contract termination date extension to April 30, 2028) [Erica Pierce, Sr. Business Services Analyst];
6. Increase and extend contract to Inertia Engineering and Machine Works, Inc., for the purchase of 25 kV, 900-amp pole mounted gang-operated distribution switches (\$500,000, plus applicable taxes. Cumulative total \$1,250,000, plus applicable taxes. New contract termination date extension to February 13, 2028.) [Erica Pierce, Sr. Business Services Analyst];
7. Award two-year contracts to WSP USA, Inc., and Kennedy Jenks for on-call project management support services to ensure delivery of Power Shared Services construction projects (\$1,500,000 each, plus applicable taxes. Includes the option to renew for three, one-year periods for a projected contract amount of \$3,000,000, plus applicable taxes) [Garth Nelson, Sr. Engineering Project Mgr];
8. Increase and extend a memorandum of agreement with Seattle Public Utilities for laboratory services (\$143,988, plus applicable taxes. Cumulative total \$1,143,988, plus applicable taxes. Contract end date extension to December 31, 2026) [Kim DeFolo, Principal Engineer];
9. Increase contract to Regents of the University of California dba University of California San Diego for the Preliminary Viability Assessment phase of the Forecast Informed Reservoir Operations (\$1,195,000 of which \$49,916 will be paid by Tacoma Water and \$697,084 will be funded by the Regional Water Supply System. Cumulative total \$2,139,816) [Stuart Vaughan, Division Manager].

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

In response to a Board inquiry on item number one about pricing, Julie Louviere, Treasury Manager, reported that cost comparisons were made, and that this vendor's favorable price and past performance are the reasons why staff is pursuing this contract.

In response to a Board inquiry on item number two regarding ADA requirements, Tom Carroll, Project Manager, shared that while plans for this project were being developed, the city changed its interpretation of ADA requirements, so the permits were rejected. Staff went back and added such things as wider aisles for vehicles. The city agreed that civil improvements to their properties will be reimbursed to TPU.

In response to a Board inquiry on item number three regarding changes to the original contract and in-housework, Erica Pierce, Sr. Business Services Analysis, explained that these types of contracts have been used since 2001 to augment crews. The last solicitation for this contract was to garner additional vendors. Sustainability is not a valuation requirement; however, T&D keeps sustainability in mind and instead of discarding wood chips, they're donated to parks.

In response to a Board inquiry on item number four regarding in-house versus contract work, Joe Wilson, T&D Manager, explained that there are many variables to this. Staff works on planned maintenance and regular workload. There is other customer work that comes in the middle of the biennium and not anticipated in the budget. Having these contracts helps with fluctuating demands. T&D attempts to have staff line crews for anticipated work and augment for peak demands that rise.

In response to a Board inquiry on item number five regarding the contract extension, Ms. Pierce explained that the increase is to cover extension through 2028 and the company is extending their original price.

In response to a Board inquiry on item number six regarding unit pricing and life span of the equipment, Ms. Pierce explained that staff solicited to get a new contract in 2024, but two vendors didn't fully present their specifications; one other contractor was deemed unresponsive. So, the contract extension is requested while staff evaluates marketplace conditions. Pricing will be revised with the vendor next month as there may be increases due to supply chain constraints; however, they communicate these delays and manufacturing issues. The life span of the equipment is approximately 30-45 years.

In response to a Board inquiry on item number seven about the use of two companies, Garth Nelson, Sr. Engineering Project Manager, explained that the two contracts are of similar nature, but there is limited capacity with each firm. So, two firms were picked because of large, multi-year projects coming up for TPU to ensure the firms have the resources to support needs without delay.

In response to a Board inquiry on item number nine for additional information on the project, Stuart Vaughan, Water Section Manager, shared that this is for the second phase of the project; the first phase at Howard Hanson Dam was successful. This moves Tacoma Water into the real viability process over the next year to study atmospheric rivers and other large weather events. This is the final process of the evaluation stage; the next step is to update the operations manual for the Army Corp of Engineers.

Voice vote taken and carried. The resolution was adopted.

C-2 Resolution U-11505 – Authorize Tacoma Power to complete necessary customer-funded electric utility work for service to a new 69-lot housing development known as The Heights.

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

John Martinson, Power Systems Engineering Manager, summarized the resolution. Tacoma Power requests approval to execute a customer-funded service agreement for The Heights Project. The Heights is a new 69 lot housing development at a property in Spanaway, near the intersection of 22nd Ave. E and 208th St. E. Completion of the utility work in this agreement will allow for the construction of each 69 homes and will accommodate Pierce County's required right-of-way improvement and the necessary utility work includes replacing 23 utility poles, installing new vaults, conduit, transformers, and wires. The total project cost for this customer-funded project is \$910,275.34.

Voice vote taken and carried. The resolution was adopted.

C-3 Resolution U-11506 – Approve declaration of surplus for 200 overhead transformers no longer needed for Tacoma Power's current or future needs and authorize the sale of surplus equipment to the highest responsive bidder

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

Sean Veley, Sr. Power Field Operations Supervisor, summarized the resolution. Tacoma Power, originally acquired for public utility purposes, 200 overhead transformers, listed on the declarations 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 1.06.272-278. The equipment has an estimated resale value of \$30,000.

In accordance with RCW 35.94.040, a public hearing on the sale of surplus property was held. There were no public comments.

Voice vote taken and carried. The resolution was adopted.

D. Reports of the Director

Director Flowers, in consideration of the fire emergencies in California, spoke about preparedness and summarized the work TPU is doing to strengthen resilience. Heather Pennington, Water Superintendent, and Joe Wilson, T&D Manager each summarized work being done in their respective work groups to support this important work.

E. Board Comments

Board Members made positive remarks about Director's preparedness report.

Chair O'Loughlin, in recognition of her retirement, made positive remarks about the dedicated service of Jodi Collins, Water Assistant Division Manager.

F. Closed Session

At 7:07 p.m., Chair O'Loughlin moved to enter a closed session to discuss labor negotiations [RCW 42.30.140(4)(b)] for 60 minutes; seconded by Mr. Bridges. Voice vote taken and carried. The closed session was adjourned at 7:56 p.m. Engel Lee, Chief Deputy City Attorney, was present.

G. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:57 p.m. until Wednesday, February 12, 2025, for a study session at 3:00 p.m. and a regular meeting at 6:30 p.m.

Approved:



John O'Loughlin
Chair



Elly Claus-McGahan
Secretary