



## RESOLUTION NO. U-11070

1 A RESOLUTION relating to Click! Network; authorizing the execution of an  
2 agreement between Tacoma Power and Rainier Connect to negotiate in  
3 good faith formal partnership contracts related to the operation and use of  
4 the Click! Network, setting a time frame for negotiations and authorizing a  
5 conditional extension of that time frame.

6 WHEREAS in July 2018 the City Council of Tacoma and the Public Utility  
7 Board ("Board") directed CTC Technology & Energy ("CTC") to negotiate with  
8 Rainier Connect, Wave Broadband, and Yomura Fiber to develop formal  
9 partnership proposals regarding the operation and use of the Click! Network that  
10 further the City's 12 policy goals, and

11 WHEREAS in the fall of 2018 the City and Tacoma Public Utilities ("TPU")  
12 undertook a formal process of outreach to seek feedback from community  
13 members, Click! customers, employees, ratepayers, businesses, and current Click!  
14 Network business partners on the 12 policy goals as part of the negotiation process,  
15 and

16 WHEREAS CTC, with representatives from the TPU, Light Division (d.b.a.  
17 "Tacoma Power"), City Attorney's Office, and City of Tacoma, Office of Media and  
18 Communication, spent extensive time discussing and meeting with the prospective  
19 partners and negotiating term sheet proposals, and

20 WHEREAS negotiations with Yomura Fiber ended due to incompatibility  
21 regarding control of fiber used by Tacoma Power and current federal security  
22 regulations, and

23 WHEREAS negotiations with Wave Broadband and Rainier Connect led to  
24 completed term sheets, and  
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1 WHEREAS the two term sheets were presented to the Council and Board at  
a joint study session on March 5, 2019, and

2 WHEREAS a summary of the key differences between the two term sheet  
3 proposals are as follows:  
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<b>Wave Broadband</b>	<b>Rainier Connect</b>
Proposes to pay net \$1 million/yr. (\$1.5 million less electricity cost)	Proposes to pay \$2.5 million/yr., increasing to \$3 million in year 5
Does not participate in federal Lifeline subsidy program	Participates in federal Lifeline subsidy program (\$9.25/mo. for qualified consumers)
Will not sell to any entity with more than 33% market share	Will not sell to any entity with more than 25% market share
TPU can decline transfer of IRU interests based on legal, technical, or financial capacity of transferee	TPU can decline transfer that violates any of the 12 policy principles or based on legal, technical, and financial capacity
Offers good customer service guarantees	Offers exceptional customer service guarantees
Able easily to scale to meet IRU obligations	Capability to scale to meet IRU obligations

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16 WHEREAS, although both term sheets meet and exceed the policy goals  
17 and represent optimal market outcomes, Rainier Connect offers higher  
18 compensation and better terms than the Wave Broadband proposal, therefore, CTC  
19 recommends TPU and the City negotiate a formal partnership arrangement with  
20 Rainier Connect to operate and use the Click! Network, and  
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22 WHEREAS the Board conducted public meetings on March 13, 2019 and  
23 March 18, 2019, seeking input from all interested parties on the partnership  
24 proposals and recommendation, and  
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WHEREAS the Board has diligently reviewed the proposals and comments from interested parties and believes it is in the best interests of the Tacoma Power ratepayers and customers of Click! Network to negotiate a formal partnership arrangement with Rainier Connect; Now, Therefore,

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

Section 1. The Director of Utilities is authorized to execute an agreement on behalf of Tacoma Power with Rainier Connect to negotiate in good faith, formal partnership contracts related to the operation and use of the Click! Network, and the City Council is requested to concur with such authorization.

Section 2. It is expected that such contracts will be ready for review and approval by both the Board and Council by the end of June 2019; however, if the parties are making substantial progress and agree to continue negotiations, then the Director of Utilities and City Manager are authorized to jointly extend the deadline for negotiations. In the event the deadline is extended, the Director of Utilities and City Manager shall provide the Board and City Council with regular updates on the progress of such negotiations.

Approved as to form and legality:

Richard C. Merrill  
Chief Deputy City Attorney

Andrew Jones  
Chair  
[Signature]  
Secretary

Charles James  
Clerk

Adopted 3-18-19