



APPROVED 5/14/25

MINUTES
City of Tacoma
Public Utility Board Meeting
April 23, 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; Elly Claus-McGahan; William Bridges; Devin Hampton
Excused: Anita Gallagher

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.

Public Comments

There was no public comment.

Regular Agenda

- C-1 Resolution U-11524 - A resolution to award certain contracts and approve certain purchases:
1. Award contract to Utilicast LLC to upgrade the Emergency Management System software and hardware (\$1,682,604, plus applicable taxes) [Sally Mohr, Technology Delivery Mgr.];
 2. Award contract to Workpointe for the procurement of new furniture for TPU offices, meeting rooms, and communal spaces (\$1,000,000, plus applicable taxes. Includes option to renew for three additional one-year extensions for a cumulative total of \$4,000,000, plus applicable taxes) [Tammy Smith, Facilities Operations Mgr.];
 3. Award contract to Northwest Cascade, Inc., for the replacement of the chemical feed lines at the Green River Filtration Facility (\$744,825, plus applicable taxes) [Gary Fox, Professional Engineer].

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

Sally Mohr, Technology Delivery Mgr, provided additional background on item number one. For clarification, the Energy Management System (EMS) is not required to support the Advance Distribution Management System (ADMS) system; they are standalone initiatives. This contract consists of replacing end of life hardware and upgrading the EMS system to the latest software version. The first phase is for hardware procurement. The second phase involves upgrading the EMS software to the most current version.

In response to a Board inquiry on item number two, Tammy Smith, Facilities Operations Mgr, provided additional background. Facilities provides furniture TPU-wide, not just for Power. Occasionally, a contract with other furniture suppliers is utilized. Furniture is not a tracked asset as \$5,000 is the threshold to capitalize assets. At end of life, the maintenance team disposes, recycles, or repurposes furniture. This contractor manages end-of-life disposition. Staff is moving towards a sustainable furniture future.

In response to a Board inquiry regarding pipe replacement and recycling on item number three, Gary Fox, Professional Engineer shared that pipe replacement is scheduled for 2025. It is the contractor's responsibility to dispose of the old PVC piping and staff will ask if they can incorporate recycling as an option.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

C-2 Resolution U-11525 – Authorize execution of a letter of agreement as negotiated with the International Brotherhood of Electrical Workers, Local 483, Water Division Unit, regarding the water treatment plant operator-in-training

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

Dylan Carlson, Labor Relations Division Mgr, summarized the resolution. The City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Water Division Unit (IBEW) have negotiated a proposed Letter of Agreement (LOA) and the resolution recommends approval of revisions to a LOA as negotiated with the IBEW. This item will move forward for Council consideration on May 5. The LOA revisions extend the length of the training program from 18 months to 24 months, to allow an employee assigned as a Water Treatment Plant Operator-in-Training (WOIT) time to meet the Education and Experience requirements set forth in Chapter 246-292 of the Washington Administrative Code (WAC) and associated guidelines developed by the Washington Department of Health and pass all required Water Treatment Operator examinations to achieve a Level 3 certification within the prescribed timelines. Employees selected for WOIT positions will be paid as a percentage of the Water Treatment Plant Operator (CSC 5112) rate of pay based on certification level and months of experience as a WOIT at the Green River Filtration Facility, per the terms of the agreement. This six-month extension of the application of rate is anticipated to cost up to \$3,000, which will be absorbed within the department's approved budget.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

C-3 Motion 25-02 – That in accordance with Article IV, Section 4.18 of the Tacoma City Charter, the Board has completed an annual performance review of Jackie Flowers, the Director of Utilities, and now approves the annual performance review filed with the Clerk of the Board; the Board also approves an increase in compensation from Step 2 to Step 4, which is a \$44,096.00 increase to \$474,240.00 annually, effective as of May 3, 2025; approves an award of 4 incentive days pursuant to TMC 1.12.345.C; and approves an award of 16 administrative leave days pursuant to TMC 1.12.250(C)(2), to be used within 12 months.

Mr. O'Loughlin moved to approve the motion; seconded by Mr. Bridges. Board Member Hampton recused himself from this item and left the dais.

Board Members made positive remarks about the performance and leadership of Director Flowers and expressed appreciation for her service.

There was no public comment.

Voice vote taken and carried. The motion was approved.

C-4 Resolution U-11526 – Authorize the delegated issuance of one or more series of Electric System Revenue and Refunding Bonds, Series 2025, and redeem up to \$26M in debt service

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

Michelle Brown, Power Financial Planning Mgr, summarized the resolution. The City by Ordinance No. 23514, passed on November 20, 1985 (as amended and supplemented, including as amended and restated by Ordinance No. 28146, passed on April 30, 2013, as amended by Ordinance No. 28444, passed on August 1, 2017, as amended by Ordinance No. 28773, passed on August 3, 2021, and as amended by Ordinance No. 28932, passed on January 16, 2024 (collectively, "Master Ordinance"), authorized revenue bonds of the City (Parity Bonds) to be issued in series having a parity of lien and charge on the Revenues of the Electric System after the payment of operating expenses if certain conditions are met, and made covenants in connection with the issuance of such parity bonds. Pursuant to the terms of the Master Ordinance, the City acting through its Tacoma Power, has issued and currently has outstanding certain Electric System bonds. Certain outstanding parity bonds may be defeased and/or redeemed in whole or in part, in accordance with the terms of the respective series authorizing ordinance. The Board finds that it is in the best interest of Tacoma Power and its ratepayers that the City issue one or more series of Electric System Revenue and Refunding Bonds, Series 2025 and to use proceeds of such bonds, together with available funds of the City, to finance and/or reimburse the City for capital improvements to the electric system, to defease and/or redeem certain outstanding parity bonds, and to pay the costs of issuance for the bonds. The Board further finds that certain of the capital improvements to be financed, reimbursed and/or refinanced with proceeds of the bonds, have environmentally beneficial attributes consistent with the City's Environmental Action Plan and other environmental priorities and goals of Tacoma Power designed to mitigate the impacts of climate change and promote sustainability and conservation. The Board desires to authorize the designation of all or a

portion of the bonds issued to finance, reimburse and/or refinance such improvements, which have environmentally beneficial attributes, as Green Bonds in accordance with the voluntary, generally accepted Green Bond principles promulgated by the International Capital Market Association and/or other relevant standards or frameworks, and the City is permitted to make such a voluntary designation based on the intended use of such proceeds. Tacoma Power expects to receive a proposal from Raymond James & Associates, Inc., BofA Securities, Inc., and Siebert Williams Shank & Co. LLC (Underwriters) to purchase the bonds pursuant to the terms of an ordinance adopted by the City Council (Supplemental Ordinance) and a form of the proposed Supplemental Ordinance, a copy of which is on file with the Clerk of the Board, has been presented at this meeting. Pursuant to Tacoma City Charter Section 4.11, the Board is required to initiate and approve all matters related to the incurrence of indebtedness and the issuance of bonds on behalf of Tacoma Power, and then forward such matters to the City Council for concurring approval. The Board requests that the City Council delegate authority to the Director of Utilities and the Tacoma Power Superintendent, and their designees, as provided herein, for a limited time, to approve the final terms of the bonds as set forth herein.

Chair O'Loughlin announced that the Board received a detail briefing on this topic at a study session.

Voice vote taken and carried. The resolution was adopted.

C-5 Resolution U-11527 – Authorize Tacoma Power to accept Washington State Department of Commerce funds for a feasibility study for implementation of a virtual power plant and to install autonomous reclosers that improve system resiliency, reliability, and reduce outage times for customers.

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

Seema Ghosh, Power Systems Engineering Mgr, summarized the resolution. Tacoma Power requests authorization to accept a grant award from the Washington State Department of Commerce for the provision of earmarked grant funds for the Tacoma Power Grid implemented through two grant agreements; one for the installation of autonomous reclosers, and the other for a feasibility study of a Virtual Power Plant. In 2024, Tacoma Power began planning to install autonomous reclosers to improve system resiliency and reliability. Staff from TPU Government Affairs Advisor worked with Representative Mena of Legislative District 29 to earmark \$2,875,000 in funds in the 2025/2026 state budget -- \$2,450,000 allocated for the installation of autonomous reclosers and \$425,000 allocated for a VPP Feasibility Study. While these two projects are funded through one grant award of earmarked grant funds from the State, they will be implemented through two separate agreements due to the nature of the work. The autonomous recloser portion of the work will upgrade and automate portions of Tacoma Power's distribution grid to improve reliability and resilience. By prioritizing areas with greater vulnerability to significant challenges during outages, the goal is to advance equity by directing enhanced reliability and resiliency where they will have the greatest impact. Tacoma Power will establish processes and procedures for operating and maintaining these devices and will, as necessary, engage with the community to inform and educate about the project and its benefits to their power service. For the Virtual

Power Plant (VPP) portion of this work, Tacoma Power will perform a feasibility study on deploying a VPP in our service area. These systems will help meet energy needs, reduce the need to upgrade infrastructure, and play a critical role in future decarbonization efforts. Tacoma Power plans to use the grant funding to retain a consultant to perform this feasibility study, which will guide future VPP investments as appropriate; the VPP is slated for the end of 2026.

Voice vote taken and carried. The resolution was adopted.

C-6 Resolution U-11528 – Authorize Tacoma Power to accept an award of \$1,725,000 from the Washington State Department of Transportation for a medium-duty, zero-emission utility service vehicle pilot project

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

Breanna Chance, Principal Power Energy Programs Analyst, summarized the resolution. Tacoma Power requests authorization to enter into an agreement with the Washington State Department of Transportation (WSDOT) for a medium-duty, zero-emission utility service vehicle pilot project. In Engrossed Substitute House Bill 2134, Section 215(10), the legislature appropriated \$1,725,000 in funding to execute said project. WSDOT is authorized to pass through these funds and oversee the terms of the grant on behalf of Washington State. Project objectives: 1)Acquire a Medium-Duty Truck – TPU will procure a medium-duty ZEV truck from a trusted manufacturer with which it has an existing relationship, ensuring continuity in fleet management practices and maintenance protocols; 2) Procure Mobile Battery Systems – Mobile charging solutions will be purchased to support operational flexibility and reduce the need for immediate permanent infrastructure modifications; 3)Procure/Install Charging Infrastructure – The project will include the acquisition and installation of necessary DCFC charging equipment to support the use of the medium-duty EV dump truck and future ZEV expansion efforts. In addition to accepting award of \$1,725,000 from WSDOT, Tacoma Power is requesting authorization for a \$1,725,000 increase in administrative authority to the Director for the purposes of contract execution. The funding will allow TPU to purchase and pilot operations of a zero-emission, battery-electric dump truck, two mobile charging units, and necessary on-campus charging infrastructure without financial impact to Tacoma Power ratepayers.

In response to a Board inquiry, Ms. Chance shared that this is the first EV dump truck for the city. The mobile charging units are mounted on trailers that are towable. One charging unit will accompany the dump truck to the location; the expected range is 80 miles. The chargers can also be used as a stop gap on campus.

Voice vote taken and carried. The resolution was adopted.

Tacoma Water

C-7 Motion 25-03 – Approve settlement of property damage claim W-045-24 of All American Restorations in the amount of \$212,534.18

Mr. Bridges moved to approve the motion; seconded by Ms. Claus-McGahan.

Engel Lee, Chief Deputy City Attorney, summarized the motion. A water main break caused water to run into a residence. The water caused damage to the lower floor, foundation, and soil erosion. Payment will be directed to repair company.

Voice vote taken and carried. The motion was approved.

D. Reports of the Director

There were no Reports of the Director.

E. Final Board Comments

There were no final comments by the Board.

F. Executive Session

At 7:10 p.m., Chair O'Loughlin moved to convene an executive session for up to 60 minutes to evaluate the qualifications of an applicant for public employment [RCW 42.30.110(1)(g)]; seconded by Mr. Bridges. Voice vote taken and carried.

Chair O'Loughlin announced that the Board would take no further action after the executive session, and he would return to adjourn the meeting. The executive session was adjourned at 7:40 p.m.

G. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:40 p.m. until Wednesday, May 14, 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