



APPROVED 7/23/25

MINUTES
City of Tacoma
Public Utility Board Meeting
July 9, 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; Devin Hampton; Anita Gallagher, William Bridges

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 were no comments by the public.

Recognition

Val Sherman, Power Environmental Health and Safety Mgr, presented the Board with the 2024 Platinum Award for Safety received from The American Public Power Association.

Ricardo Ferrell, Water Maintenance and Construction Division Mgr, introduced the Tacoma Water Women's Tapping Team (Grit City Grind) who won the American Water Works Association National championship two years in a row.

Regular Agenda

D-1 Motion 25-06 – In accordance with Board Rules of Procedure Three, Section One, Election of Officers, of the Public Utility Board, that John O'Loughlin, Elly Claus-McGahan; and Anita Gallagher be nominated and elected as Chair, Vice-Chair, and Secretary respectively.

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

Mr. Bridges expressed appreciation to Chair O'Loughlin for his willingness to serve an additional year as Chair and made positive remarks about his contributions as a Board Member.

There was no public comment.

Voice vote taken and carried. The motion was approved.

D-2 Resolution U-11539 - A resolution to award certain contracts and approve certain purchases:

1. Award five-year contract to Black & Veatch Corporation for engineering design of a seismic risk reduction measure at the Mossyrock Dam spillway structure (\$1,733,700, plus applicable taxes) [Tim Nordstrom, Power Systems Engineer];
2. Award three-year contract to Buenavista Services, Inc., for janitorial services for Tacoma Rail (\$1,000,000, plus applicable taxes. Includes option to renew for two, one-year extensions) [Kari Halliday, Chief Mechanical Officer].

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

In response to a Board inquiry on item number one regarding funding, Tim Nordstrom, Principal Civil and Structural Engineer and project manager for the contract, clarified that this contract is for the design of and not for the physical object. This funding will cover the feasibility study and the design of engineering that will need approval from regulators. Staff will then come back with the build information and request funding. The \$1.7M includes construction support with the design engineers. Mr. Nordstrom then used a model of the dam to illustrate the proposed engineering.

In response to a Board inquiry on item number two regarding the contract term and extensions, Kari Halliday, Chief Mechanical Officer, shared that the contract amount will cover the initial three years plus the additional two, one-year extensions. There is also funding for emergency situations.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

D-3 Resolution U-11540 – A resolution to sunset Public Utility Board Guiding Principal Eight (8) on Telecom [Jackie Flowers, Director of Utilities].

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

Director Flowers summarized the resolution. Guiding Principle 8 (Telecom) was approved by the Board on June 24, 2020, via Resolution No. U-11169. TPU leases portions of its hybrid fiber coaxial that are in excess of operational needs to maximize return on investment and continued public ownership of the network by granting an Indefeasible Right to Use (IRU) the network's capacity not required for power system needs. The policy priorities established by the Board in Guiding Principle 8 and the City Council are reflected in the IRU and are no longer necessary as a separate Guiding Principle. Of note, the Board on September 27, 2023, via Resolution U-11408 entered into a transfer and consent agreement with Rainier Connect North, LLC, Mashell, Inc., and Alphaboost Purchaser LLC that consented to the change of control regarding the IRU dated March 31, 2020. With that IRU in place, the partnership has moved to contract management with annual reporting on how original policy goals are met. This resolution would eliminate Guiding Principal 8 on Telecom with the expectation that the Director will provide a written report on the agreement annually.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

D-4 Resolution U-11541 – Declare surplus and authorize the five-year lease, commencing September 1, 2025, for approximately 15.25 acres of Tacoma Rail land identified as 1738 Milwaukee Way to the Northwest Seaport Alliance licensee/agent of the Port of Tacoma for \$100,000 per month, plus eight percent for operating cost recovery and annual CPI adjustments for an intermodal facility

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

Dylan Harrison, Sr. Real Property Manager, summarized the resolution. Tacoma Rail requests the Board declare surplus and authorize the five-year lease, commencing on September 1, 2025, approximately 15.25 acres of Tacoma Rail land, identified as 1738 Milwaukee Way, in Tacoma, Washington to the Northwest Seaport Alliance, a licensee/agent of the Port of Tacoma for \$100,000 per month, plus 8 percent for operating cost recovery and annual CPI adjustments for intermodal facility. The lease property is located within the Tacoma Tideflats and was originally acquired in 1944, for the purpose of making certain betterments and extensions of the Municipal Belt Line Railway System. In 1985, the City Council and Public Utility Board determined that certain property that included the lease property was no longer required for continued public utility service, for a limited extent and duration, and therefore approved a 41-year (31-years with two five-year extensions) lease to the Port of Tacoma, which expires in 2025. Tacoma Rail has negotiated a proposed lease agreement for the lease property with a lease price of \$100,000 per month, plus 8 percent for operating cost recovery and annual CPI adjustments, which is considered within the range of fair market value and as determined by a third-party appraiser. The proposed lease agreement is subject to both Public Utility Board and City Council approval. The proposed lease agreement was reviewed by the City Attorney's Office and approved by Tacoma Rail management and Real Property Services and upon approval by the Board, a separate request will be made to the City Council to hold a public hearing to be followed by final approval on the proposed lease agreement. The Director of Utilities, in coordination with Tacoma Rail, has determined that the property is no longer required for continued public utility service and has deemed the property surplus to Tacoma Rail's needs pursuant to RCW 35.94.040 and TMC 1.06.280f, but only to the extent and duration of the proposed lease agreement.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

E. Final Board Comments

Chair O'Loughlin encouraged staff to view their work through the lens of asset management; e.g.: know what you own, its condition, the spend for maintenance and operations, and plan for when it is no longer useful.

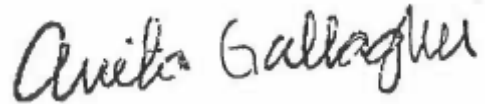
F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:05 p.m. until Wednesday, July 23, 2025, for a study session at 3:00 p.m. and a regular meeting at 6:30 p.m.

Approved:



John O'Loughlin, Chair



Anita Gallagher, Secretary