



APPROVED 10/22/25

MINUTES
City of Tacoma
Public Utility Board Meeting
October 8, 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; Anita Gallagher; Devin Hampton

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

Tyler Daniels identified himself as a licensed civil engineer in Tacoma and made comments in support of removing fluoride and chemically treated poles from Water and Power infrastructure citing health concerns to the public.

Regular Agenda

Departmental

- C-1 Resolution U-11555 - A resolution to award certain contracts and approve certain purchases:
1. Award contract to Pease Construction, Inc., for replacement of the Administrative Building North's entry vestibule with a new revolving door, emergency door, and replacement of the existing exterior curtain wall glass (\$1,296,000) [Garth Nelson, Sr. Engineering Project Mgr].

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

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

- C-2 Resolution U-11556 – Authorize Tacoma Power to enter into an energy conservation agreement with Momma Chan LLC, a state-licensed marijuana business

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

Ellisa Lim, Principal Electric Engineer, summarized the resolution. In 2012, Washington passed Initiative 502, related to the legalization of marijuana including legal production of marijuana. In response, TPU approved Amended Resolution No. U-10792, that stipulates requirements for providing conservation program services to state licensed marijuana businesses including Board approval of conservation transactions in excess of \$200,000. Momma Chan LLC is a marijuana producer in Tacoma, and to expand production and reduce utility expenses, the customer intends to install LEDs instead of conventional energy-intensive lights and to install high-efficiency dehumidifier units that exceed the minimum performance standards set by the Washington State Energy Code. In support of this installation, the customer is requesting assistance in the amount of \$287,786 funding through Power's energy conservation program.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

C-3 Resolution U-11557 – Authorize Tacoma Power to execute Power Sales Agreement with the Bonneville Power Administration, Contract No. 26PS-25090, including the authority to execute a related Creditworthiness Agreement and to take all other actions necessary or convenient to implement such agreements

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

Ray Johnson, Power Mgr, summarized the resolution. Tacoma Power participated, along with other consumer-owned utilities in the Northwest, in the multi-year Provider of Choice contract terms and conditions workshops and negotiations with Bonneville Power Administration (BPA), including the Provider of Choice Contract administrative process. The culmination of such workshops, negotiations and processes is the BPA's offer of the long-term Power Sales Agreement, Contract No. 26PS-25090, which provides for significant power deliveries to Tacoma commencing in October 2028 and ending in 2044. BPA requires that Tacoma Power also execute a related Creditworthiness Agreement as part of the Power Sales Agreement; and is requesting authority to execute a related Creditworthiness Agreement, with the BPA. Tacoma Power's current power generating capacity is insufficient to meet the load requirements of its customers without the supplemental power from BPA. BPA currently provides approximately 50 percent of the power needed by Tacoma Power to meet the load requirements of its customers under Tacoma Power's current Regional Dialog Agreement with BPA. BPA has historically offered power to consumer-owned utilities like Tacoma Power at rates below market prices and it is Tacoma Power's belief that this trend will continue over the life of the Power Sales Agreement. Pursuant to the Power Sales Agreement, Tacoma Power will purchase a slice component and a block component of power from BPA pursuant to Section 5(b) of the Northwest Power Act. Tacoma Power has determined that its obligations under the Power Sales Agreement and the Creditworthiness Agreement are reasonable and necessary to enable Tacoma Power to meet its power supply needs.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

Tacoma Rail

- C-4 Resolution U-11558 – Authorize Tacoma Rail to accept a grant funding award of \$8,316,000 from the Federal Railroad Administration to assist with the repowering of four Tacoma Rail Tier 0 diesel-electric switcher locomotives

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

Dan McCabe, Rail CIO/CFO, summarized the resolution. Tacoma Rail applied in response to a competitive call for projects through the Federal Railroad Association's FY-2024 Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program. The proposed project involved repowering four (4) existing Tier 0 diesel-electric switcher locomotives with Tier 4 diesel engines as rated by the Environmental Protection Agency. Once completed, this upgrade will enhance the reliability of Tacoma Rail's locomotive fleet, reduce annual fuel consumption of the project locomotives, and reduce greenhouse gases and particulate matter emissions by over 90 percent. Tacoma Rail was awarded \$8,316,000, from the Federal Railroad Administration.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

- C-5 Resolution U-11559 – Authorize Tacoma Rail to accept federal grant funding previously authorized by Resolution U-11431 as the scope has changed from acquisition of two zero-emission locomotives to repowering two utilities-owned locomotives with Tier 4 diesel engines

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

Dan McCabe, Rail CIO/CFO, summarized the resolution. Tacoma Rail was awarded \$4,095,000, from the Federal Railroad Association's FY-2022 Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program by Board Resolution U-11431. The original application proposed to replace two existing unregulated diesel-electric locomotives with two zero emission battery-electric locomotives including the associated charging infrastructure. Under the current Presidential administration, the U.S. Department of Transportation and Federal Railroad Administration priorities have changed, resulting in a request to Tacoma Rail to revise its original project. Rail's project has been revised from the acquisition of two zero emission locomotives to repowering two Tacoma Rail-owned locomotives with Tier-4 diesel compliant engines as adopted by the Environmental Protection Agency. The revised project will advance TPU and City objectives toward environmental leadership by reducing emissions generated by the two locomotives by approximately 90 percent following the upgrades to include EPA Tier-4 engines.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

- C-6 Resolution U-11560 – Authorize Tacoma Rail to accept a loan from the Washington State Department of Transportation for \$408,000 to assist with the

procurement of one new 35-ton capacity boom truck for heavy locomotive component maintenance and repairs

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

Kyle Kellem, Roadmaster, summarized the resolution. Rail applied and requests authorization to accept a loan in the amount of \$408,000, from the Washington State Department of Transportation. The proposed loan application is to purchase a new 35-ton capacity boom truck as an alternative to relying on renting this type of equipment for heavy locomotive repairs. Loan agreement RRC-1010 requires Tacoma Rail to contribute \$200,000 in matching funds. The loan has a 10-year term, requiring annual payments of \$40,8000, beginning January 1, 2029, and includes a \$8,000 administrative fee.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

C-7 Resolution U-11561 – Authorize Tacoma Rail to enter into a loan agreement with the Washington State Department of Transportation for \$1,122,000 for the purpose of upgrading three frequently used railroad tracks in the Tacoma Tideflats area

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

Kyle Kellem, Roadmaster, summarized the resolution. Tacoma Rail was awarded a loan in the amount of \$1,122,000, from the Washington State Department of Transportation. The proposed loan application is to upgrade three frequently used railroad tracks in the Tacoma Tideflats area. Loan agreement RRC-1011 requires Tacoma Rail to contribute \$469,250 in matching funds. The loan has a 10-year term, requiring annual payments of \$112,200, beginning January 1, 2028, and includes a \$22,000 administrative fee.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

Tacoma Water

C-8 Resolution U-11562 – Authorize Tacoma Water to execute a 15-year lease with the Washington State Department of Natural Resources for the existing microwave communication site known as Grass Mountain located in King County WA

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

Karen Hedlund, Principal Engineer, summarized the resolution. Tacoma Water has had a presence at the Grass Mountain site for several decades. The current lease at the was entered into in November 2009 and terminates in November 2025. Tacoma Water entered into this lease with the Department of Natural Resources (DNR) to maintain crucial communications between the TPU campus and the Green River Filtration Facility.

The communication equipment at Grass Mountain transfers operation data, corporate connectivity, and security information between the two locations and this request will establish a new 15-year lease from November 2025 through October 2040. Ms. Hedlund concluded by providing an inventory of all TPU's site leases and informed that the lease agreement total is \$355,000.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

D. Final Board Comments

none

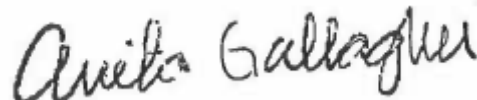
E. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 6:53 p.m. until Wednesday, October 22, 2025, for a study session at 3:00 p.m. and a regular meeting at 6:30 p.m.

Approved:

A handwritten signature in blue ink, appearing to read "John O'Loughlin".

John O'Loughlin, Chair

A handwritten signature in blue ink, appearing to read "Anita Gallagher".

Anita Gallagher, Secretary