APPROVED 10/28/26

MINUTES
City of Tacoma
Public Utility Board Meeting
October 14, 2026
6:30 p.m.

Chair Claus-McGahan called the Public Utility Board meeting to order at 6:30 p.m.

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

Minutes of the Previous Meetings
Ms. Gallagher moved that the minutes of the previous meetings be adopted; seconded by Mr. Hampton. Voice vote was taken and carried. The minutes were declared adopted.

Public Comment
There were no general public comments.

Regular Agenda
C-1 Resolution U-11628 - A resolution to award certain contracts and approve certain purchases:

1. Increase contract to Regents of the University of California dba University of California San Diego to prepare for the final viability assessment of the Forecasted Informed Reservoir Operations (FIRO) project ($1,432,702. Projected contract total $3,572,518, plus applicable taxes) [Stuart Vaughan, Water Division Mgr];
2. Increase and extend contract to Seeq Corporation for the annual renewal and increase of the Software Assurance Subscription program ($155,000. Projected contract total $603,000, plus applicable taxes. Contract extension through November 8, 2027) [Haley Saul, Sr. Technology Mgr];
3. Increase contract to Traffic Management LLC for flagging and traffic control services ($500,000. Projected contract total $1,000,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
4. Increase contract to K&D Services, Inc., for flagging and traffic control services ($500,000. Cumulative contract total $1,000,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
5. Award two-year contract to Pacific Pole Inspection LLC for wood pole inspection, testing, and treatment services ($1,200,000. Includes option to renew for two one-year extensions) [Erica Pierce, Sr. Business Services Analyst];
6. Award three-year contract to Border States Industries, Inc., for the purchase of 15kV fused disconnect (cutout) switches ($550,000, plus applicable taxes. Includes option to renew for two one-year periods) [Erica Pierce, Sr. Business Services Analyst];

7. Increase contract to Washington Rock Quarries, Inc., for PSE yard course ($500,000. Projected contract total $1,000,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
8. Award three-year contract to General Pacific, Inc., for three phase pad-mounted distribution transformers ($5,000,000, plus applicable taxes. Includes option to renew for two one-year renewals) [Erica Pierce, Sr. Business Services Analyst];
9. Increase and extend contract to American Wire Group for multiplex wire {overhead and underground secondary triplex and quadruplex cable} ($250,000, plus applicable taxes. Cumulative contract total $750,000, plus applicable taxes. Contract extension through December 16, 2028) [Erica Pierce, Sr. Business Services Analyst].

Ms. Gallagher moved to adopt the resolution; seconded by Mr. Hampton.

In response to a Board inquiry on item seven about why the contract is being increased when the original contract was executed in May 2026, Erica Pierce, Sr. Business Services Analyst, explained that the initial contract executed in May was done so that work would not be delayed and ensure access to the quarry rock. The work plan is now finalized so staff has better information about supply needs.

Voice vote taken and carried. The resolution was adopted.

C-2 Resolution U-11629 – Authorize execution of a letter of agreement as negotiated with the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit, regarding a change in overtime rules for employees assigned to the Trouble Crew

Ms. Gallagher moved to adopt the resolution; seconded by Mr. Hampton.

Dylan Carlson, Labor Relations Division Mgr, summarized the resolution. Tacoma Power and the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit have negotiated a proposed letter of agreement regarding a change in overtime rules for employees assigned to the trouble crew. Tacoma Power operates three trouble crews who provide 24-hour response for the maintenance and repair of the distribution system. Historically, these positions have been filled by volunteers, who receive a 10 percent application rate in recognition of their work schedule, including the shift coverage necessary to effectively staff the trouble crews. In recent years, fewer employees have volunteered to work on these trouble crews, resulting in a long-term vacancy. In order to further encourage employees to volunteer for trouble crew assignments and to fully staff these crews, Tacoma Power and the Union negotiated the proposed agreement which includes the following terms: Trouble crew members who work double overtime immediately before the start of their regular shift will also receive double overtime for the actual hours worked of their regular shift. The performance of this type of coverage is known as “double-double”; Trouble crew members who receive less than eight consecutive hours of time off before a regularly scheduled shift, will receive double overtime pay for all actual hours of that regular shift. The eight hours of time off do not need to immediately precede the start of the employee’s next scheduled shift, The parties also have agreed to amend item two of the letter of understanding dated December 4, 2023, to provide that trouble crew members will report to the North Service Center or the

South Service Center at the start and end of their scheduled shift, unless responding to a call or performing an assigned task, The pay difference for each member of the trouble crew is approximately $560 per shift eligible for the double overtime pay, and Tacoma Power will be responsible for adhering to the overall level of appropriation.

In response to a Board inquiry, Mr. Carlson reported that trouble crews are still volunteers; this resolution will help with the challenging work schedules.

Voice vote taken and carried. The resolution was adopted.

C-3 Resolution U-11630 – Authorize Tacoma Power to accept a grant funding award of $637,000 from the Washington State Department of Commerce Climate Commitment Act funds' Home Electrification and Appliance Rebates program [Lis Saunders, Residential Customer Energy Programs Mgr].

Ms. Gallagher moved to adopt the resolution; seconded by Mr. Hampton.

Lis Saunders, Residential Customer Energy Programs Mgr, summarized the resolution. Tacoma Power applied for grant funds from the State Home Electrification and Appliance Rebates (HEAR) program. The program is supported with funding from Washington's Climate Commitment Act (CCA). The CCA supports Washington's climate action efforts by putting cap-and-interest dollars to work reducing climate pollution, creating jobs, and improving public health. The Washington State Legislature created the program for the Commerce Department to administer grants to eligible third-party administrators for heat pump and other high-efficiency equipment rebates, with a focus on low- and moderate-income households, and also small businesses. State incentives and rebates for installation of high efficiency electric equipment, including electrical panel upgrades, provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the build environment. Commerce issued a request for applications (RFA) and in 2024, the City was awarded HEAR grant funds of $1.9 million to administer heat pump and other high-efficiency electric equipment rebates for low- and moderate-income households. Tacoma Power partnered with the City to implement the program on the City's behalf leveraging our established trade ally network and conservation incentive platform and in 2025, Commerce issued another RFA for a second round of HEAR funds to provide grants to administer heat pump and other high-efficiency electric equipment rebates for low to moderate income households, small businesses and adult family homes. Tacoma Power applied and Commerce awarded Tacoma Power $637,000 from the State HEAR funds for this work, earmarking $212,000 specifically to replace non-electric heat in adult family homes with heat pumps.

In response to a Board inquiry about the allocation for adult family homes, Mr. Saunders reported that with this grant, approximately 10 heat pumps will go to adult family homes; the heat pumps are approximately $20,000 per installation.

Voice vote taken and carried. The resolution was adopted.

D. Reports of the Director/2027-2028 Budget and Proposed Rates Public Hearing

Director Flowers outlined the budget and proposed rates for the next biennium. The following were summarized: Accomplishments from the last biennium; common expense drivers; specific challenges and risks for each operating division; budget and rates strategy; major projects and initiatives; proposed biennial budget; proposed rate adjustments; average bill comparisons; additional customer assistance opportunities; and outreach efforts. The second reading of the budget will take place at the October 28 Public Utility Board meeting. It will then go to the Council for first reading on November 10, followed by final consideration on November 17.

Chair Claus-McGahan then opened a public hearing on the proposed budget and rates.

Kit Burns made comments with suggested changes to the advanced-meter opt-out fees, BCAP program, and water rates to Metro Parks.

E. Final Board Comments

Board Member O'Loughlin made positive remarks about the efforts made to reduce FTE count and evaluate savings through the Start/Stop/Continue efforts.

Chair Claus-McGahan acknowledged the long process and numerous presentations and expressed appreciation to staff for a thoughtfully done process.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:23 p.m. until Wednesday, October 28, 2026, for a 3:00 p.m. study session followed by a 6:30 p.m. regular meeting.

Approved:





Elly Claus-McGahan, Chair

Devin Hampton, Secretary