



APPROVED 4/9/25

MINUTES
City of Tacoma
Public Utility Board Study Session
March 26, 2025
3:00 p.m.

Chair O'Loughlin called the Public Utility Board study session to order at 3:05 p.m. in the third-floor conference room (LT1) of the Public Utilities Administration Building.

Present: John O'Loughlin, Elly Claus-McGahan, Anita Gallagher

Excused: William Bridges, Devin Hampton

Tacoma Power: Tacoma Power Financing

Michelle Brown, Power Financial Planning Manager, provided an overview of the 2025 financing plan: 1) issue \$135M in new money bonds; 2) potentially issue up to \$190M in refunding bonds, including 2010B 'Build America Bonds' and the 2013A Bonds; 3) Redeem/pay off approximately \$26M of existing 2010C 'Clean Renewable Energy Bonds'. Michelle Brown introduced those in attendance to support her presentation. Brian Olin, underwriting team; Deanna Gregory, Bond Counsel with Pacifica Law Group; and Frank Purdue and Mike Kremer, Financial Advisors with Montague DeRose. Ms. Brown outlined in detail the following: short term financing considerations; restructure existing debt to minimize future rate pressure; issue new money bonds to pay for capital spending; potentially issue bonds to refund past bonds; redeem bonds to levelized the 2026 debt service spike; source and use of funds; and new debt service profile. Ms. Brown concluded her presentation by providing the schedule. This will go to the Board for formal consideration, followed by Council consideration, followed by rating agency presentations. Closing of 2025 bonds is expected to take place in early July 2025.

Tacoma Water: Segale Cumberland Mine Update

Ryan Cox, Assistant Water Division Manager, shared that Segale applied to King County for an aggregate mine and accessory asphalt plant. Gravel mine operations use water to wash fine silt and other fine materials off mined gravel to create product. Maps of the Segale property were shared. Retail operation options for Tacoma Water include tanker trucks hauling water, preliminary engineering concepts; and business case determination. Service options and regulatory steps were outlined. Mr. Cox concluded by sharing the project timeline (construction estimated to end in 2028). Future meetings

will include PUB consideration at future meetings on expanding the service area, water system plan revisions, and King County franchise agreements.

Board/Director Comments/Updates

Director Flowers reported that the Board's Guiding Principle framework is actively being worked by staff and will be brought to the Board.

Director Flowers announced that the AMI meter project is complete; the last meter was installed on March 20, 2025.

Chair O'Loughlin announced that Devin Hampton was confirmed by the Council on March 25 to serve as interim Board Member while Board Member Watson is on leave. Mr. Hampton's first meeting will be on April 9, 2025.

Chair O'Loughlin announced that discussions on the topic of compensation for the Public Utility are again active.

Board Chair O'Loughlin and Board Member Claus-McGahan made positive remarks about the Tacoma Public School / SAMI first student electric school bus showcase they attended.

Executive Session

At 4:45 p.m., Chair O'Loughlin moved to convene an executive session to review the performance of a public employee [RCW 42.30.110(1)(g)] for 90 minutes; seconded by Ms. Claus-McGahan. Voice vote was taken and carried. Chair O'Loughlin announced after the conclusion of the executive session, the Board will not take further action and the study session would be adjourned. Chair O'Loughlin moved that the Clerk of the Board is authorized to adjourn the meeting; seconded by Ms. Claus-McGahan. Voice vote taken and carried. The executive session was adjourned at 5:19 p.m.

Adjournment

The study session was adjourned at 5:19 p.m.

Approved:



John O'Loughlin
Chair



Elly Claus-McGahan
Secretary