



APPROVED 9/23/26

MINUTES
City of Tacoma
Public Utility Board Study Session
September 9, 2026
3:00 p.m.

Chair Claus-McGahan called the Public Utility Board study session to order at 3:00 p.m. in the third-floor conference room (LT1) of the Public Utilities Administration Building.

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

Administration Complex Parking and Storage Project Update

Garth Nelson, Principal Engineering Project Mgr., and Christine Lewis, Power Senior Mgr., provided the information in this presentation. Project overview provided outlining purpose and updates. List of improvements along with current progress discussed. An early GMP (Guaranteed Maximum Price) scope showing shops extension and south access gate was reviewed. Owner initiated changes including lengthening building to maximize usable area and mezzanines being added which allows for additional storage space outlined and reviewed. An early GMP timeline was provided showing PUB approval at the September 23, 2026, meeting through the estimated completion date of August 2027. The full project scope included a breakdown of the space and how it will be utilized. The complete GMP schedule overview was reviewed, and several adjustments were made that shift the project start from October to the December PUB meeting, where Board approval will be requested. The early and anticipated full GMP cost breakdown was provided with discussion around tariffs and if they will have any impact on the project. The final slide included the project schedule and where we are currently in the process.

Customer Service Fees

LaTasha Wortham, Deputy Director for Customer Service and External Affairs, gave introductory remarks. Shana Williams, Customer Services Mgr., and Tasha Moore, Asst Customer Services Mgr., provided the information in this presentation. An overview of why action is needed on updating fees was outlined. Several fees have remained unchanged since 1985, 1997, or 2003. With rising labor, technology, and service delivery costs it was important to look at cost recovery and find a good cadence for reviewing said fees. Fees will be reviewed during each budget cycle going forward to confirm if they still align with cost recovery or if there will need to be adjusted. An

overview was provided explaining how the proposed fees were developed, taking into account staff time, labor and direct costs, changes in service delivery, peer comparisons, and required administrative processes. The proposed fee schedule and rationale for key fee changes was reviewed in-depth. A proposed reconnect timing change that will require a Tacoma Municipal Code (TMC) update was discussed. The presentation concluded with recommendations and next steps which will require additional meetings and PUB approval at a future date.

Budget and Rate Recommendations for Customer Services and Tacoma Rail

Shana Williams, Customer Services Mgr., Richelle Krienke, Principal Business Services Analyst, presented the preliminary budget for Customer Services. A breakdown of services provided within the Customer Services department was reviewed. Challenges and opportunities were highlighted as well as mitigation strategies on how to prioritize and align work across groups. A study was completed amongst six peer utilities to get ideas on ways to have more efficiencies in lobby and billing areas. A preliminary budget slide outlining vacancies, staff transfers, and overall cost distribution was reviewed. Staff also received a summary packet comparing costs from the 2025–26 budget to those proposed for the 2027–28 biennium.

Tacoma Rail: Dan McCabe, Asst. Rail Supt., provided the information and budget overview for this presentation. A timeline outlining the budget and rate process was presented, with key points emphasizing when approval from the Public Utility Board will be sought. Risks, challenges, and key cost drivers were reviewed, along with mitigation strategies such as pursuing a net-zero FTE target, leveraging grants and loans, capital deferment, fuel surcharges, strengthening fiscal accountability, and other cost saving measures. Preliminary revenue and expenditures along with budget comparison from the 2025-26 budget to those proposed for the 2027-28 biennium budget were discussed. An overview of the capital outlay was presented, noting an initial reduction in planned track improvement funding from \$7.0 million to \$4.8 million. A primary rate payers' slide was provided along with discussion around demurrage. Proposed 2027-28 rates along with historical rates comparison reviewed. Preliminary revenue summary outlining current and proposed changes was included. Staff also received a summary packet comparing costs from the 2025–26 budget to those proposed for the 2027–28 biennium.

General Report

Chair Claus-McGahan provided overview of her meeting with the Mayor and City Manager.

Board Member O'Loughlin made positive remarks about TPU Connects and encouraged other staff to watch the recording.

Director Flowers discussed the upcoming Neighborhood Council Meetings and encouraged Board Members to attend.

Adjournment

The study session was adjourned at 4:55 p.m.

Approved:

A handwritten signature in black ink, appearing to read "Elly Claus-McGahan", with a long horizontal flourish extending to the right.

Elly Claus-McGahan, Chair

A handwritten signature in black ink, appearing to read "Devin Hampton", with a long horizontal flourish extending to the right.

Devin Hampton, Secretary