



RESOLUTION NO. U-11543

1 A RESOLUTION related to Tacoma Water; requesting authorization for Tacoma
2 Water to submit an application to the Washington State Public Works
3 Board for a low-interest construction loan for two main replacement
4 projects, and a request that the City Council to authorize the same.

5 WHEREAS, the Department of Public Utilities, Water Division ("Tacoma
6 Water"), requests authorization from the Public Utility Board ("PUB") to submit
7 an application to the Washington State Public Works Board for a low-interest
8 construction loan for two main replacement projects on Puyallup Avenue, and

9 WHEREAS, the Public Works Board Construction Loan Program can
10 provide up to \$10 million in low-interest loans per jurisdictional entity, and

11 WHEREAS, staff from the Environmental Services and Public Works
12 Departments, together with Tacoma Water have discussed this funding
13 opportunity – and see an advantage of jointly applying for the full \$10 million
14 with Tacoma Water seeking approximately \$2 million, Environmental Services
15 seeking approximately \$10 million, and Public Works seeking approximately
16 \$2.9 million, with Environmental Services agreeing to reduce its award amount
17 if multiple projects are awarded so that the \$10 million dollar cap is not
18 exceeded, and
19

20 WHEREAS, the Applicant Certification for the Public Works Board
21 Construction Loan Program requires the applicant to certify that its governing
22 body has approved submission of the application to the Public Works Board,
23 and
24

25 WHEREAS, Tacoma Water requests authorization to submit an
26 application for a loan in the approximate amount of \$2,083,720, and



1 WHEREAS, Tacoma Water will coordinate the application submittal with
2 the Environmental Services and Public Works Departments that are also
3 applying for funding to support projects also located on or near Puyallup
4 Avenue with a "dig once" partnership approach; Now, Therefore,
5
6 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:
7 That Tacoma Water is authorized to submit an application to the Washington
8 State Public Works Board for a low-interest construction loan in the
9 approximate amount of \$2,083,720, to two main replacement projects located
10 on Puyallup Avenue in a joint venture application and project with
11 Environmental Services, and the proper officers of the City of Tacoma are
12 authorized to execute all necessary and convenient documents, substantially in
13 the same form as on file with the Clerk of the Board and as approved by the
14 City Attorney's Office.
15

16 Approved as to form:

17 _____
18 /s/
19 Chief Deputy City Attorney

20 _____
21 Clerk

_____ Chair

_____ Secretary

Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Keri Burchard-Juarez, Tacoma Water Superintendent
MEETING DATE: 7/23/25
DATE: 7/1/25

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input type="checkbox"/> GP1 – Diversity, Equity, Inclusion, Belonging | <input type="checkbox"/> GP9 – Economic Development |
| <input checked="" type="checkbox"/> GP2 – Financial Sustainability | <input type="checkbox"/> GP10 – Government Relations |
| <input type="checkbox"/> GP3 – Rates | <input type="checkbox"/> GP11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> GP4 – Stakeholder Engagement | <input type="checkbox"/> GP12 – Employee Relations |
| <input type="checkbox"/> GP5 – Environmental Leadership | <input type="checkbox"/> GP13 – Customer Service |
| <input type="checkbox"/> GP6 – Innovation | <input type="checkbox"/> GP14 – Resource Planning |
| <input type="checkbox"/> GP7 – Reliability & Resiliency | |

SUMMARY: Tacoma Water requests authorization to apply to the Washington State Public Works Board (PWB) for a low-interest construction loan of approximately \$2M for two main replacement projects located on Puyallup Avenue. Tacoma Water and Environmental Services (ES) are coordinating work in the Puyallup Avenue project area for a “dig once” partnership approach. Public Works (PW) is partnering with Tacoma Water and Environmental Services to upgrade utilities as part of a project taking place in the Central District of Tacoma.

This request to apply for funding in partnership with ES and PW gives the city a competitive advantage primarily by strengthening the application. An enhanced application maximizes resources, demonstrates collaboration, and causes less disruption to the community with a “dig once” project proposal.

BACKGROUND: The Public Works Board Construction Loan Program can provide up to \$10 million in low-interest loans per jurisdictional entity. Staff from Tacoma Water, ES, and PW have discussed this funding opportunity and see an advantage to applying for an aggregate of \$15 million, with Environmental Services to reduce its award amount if multiple projects are awarded, such that the \$10 million jurisdictional cap is not exceeded. The Public Works Board has confirmed this approach is feasible. Tacoma Water and the two other departments plan to submit applications by August 8th, 2025, to the Department of Commerce for consideration.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

N/A

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS:

- Council Action Memorandum

CONTACT:

Primary Contact: Marc Powell, Business Services Analyst-Sr.

Supervisor's Name: Dana Larsen, Customer & Financial Services Manager



City of Tacoma

City Council Action Memorandum

TO: Hyun Kim, Interim City Manager
FROM: Keri Burchard-Juarez, Tacoma Water Superintendent
Jackie Flowers, Director of Tacoma Public Utilities
Ramiro A. Chavez, P.E. PgMP, Director/City Engineer, Environmental Services
Jeffrey A. Jenkins, Public Works Director
COPY: Tacoma City Council and City Clerk
SUBJECT: Resolution – Requesting Authorization to Apply for State Loan – August 8, 2025
DATE: July 17, 2025

FOR

Initial DS
GMS RACPP
JED

SUMMARY AND PURPOSE:

Tacoma Water, Environmental Services, and Public Works jointly request authorization to apply to the Washington State Public Works Board (PWB) for low-interest construction loans.

- Tacoma Water will apply for \$2M for two main replacement projects located on Puyallup Avenue.
- Environmental Services will apply for \$10M to rehabilitate a stormwater main near Puyallup Avenue and 26th Street.
- Public Works will apply for \$2.9M in funds for improvements along South 12th Street, from South Cedar Street to South Sprague Street.

Tacoma Water and Environmental Services are coordinating work in the Puyallup Avenue project area for a “dig once” partnership approach. Public Works is partnering with Tacoma Water and Environmental Services to upgrade utilities as part of a project taking place in the Central District of Tacoma..

BACKGROUND:

The Public Works Board Construction Loan Program can provide up to \$10 million in low-interest loans per jurisdictional entity. Staff from Tacoma Water, Environmental Services (ES), and Public Works (PW) have discussed this funding opportunity and see an advantage to applying for an aggregate of \$15 million, with Environmental Services to reduce its award amount if multiple projects are awarded, such that the \$10 million jurisdictional cap is not exceeded. The Public Works Board has confirmed this approach is feasible. The departments plan to submit applications by August 8th, 2025, to the Department of Commerce for consideration.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Tacoma Water engages with various communities through its capital improvement planning process every two years and provides sufficient notice for construction projects impacts. This request is to apply for funding in partnership with ES and PW. This approach gives the city a competitive advantage primarily by strengthening the application. An enhanced application maximizes resources, demonstrates collaboration, and causes less disruption to the community with a “dig once” project proposal.

ES provides public notice for construction projects impacts. Additionally, specific to this project:

- The construction contractor’s team includes a Public Outreach firm that has developed a Public Outreach Plan.
- ES has a dedicated project website to provide public notice on project background, benefits, and schedule.

A phone number and email address for ES’s Project Manager, Christa Lee, P.E., are posted on the public project website.



PW will manage all community outreach and communication through their standard process. While outreach has already been completed, PW will continue to keep the community informed through updates on the website and mailed postcards.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Increase positive public perception of safety and overall quality of life.

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Economy/Workforce: *Equity Index Score: Very High Opportunity*

Increase the number of infrastructure projects and improvements that support existing and new business developments.

Explain how your legislation will affect the selected indicator(s).

Tacoma Water's mission is to provide clean, reliable water. Making cost-effective, strategic, and timely investments into service areas planned for needed infrastructure improvements ensures Tacoma Water can continue to meet its mission for the long-term and ensure safety and quality of life for the community it serves. ES's project will reduce roadway flooding risk that poses a threat to public health and safety in a Very Low Equity Index census tract, benefitting public perceptions of safety, transportation mobility, and economic access. PW's project will provide funding to support equitable infrastructure investments, including improvements to pedestrian and bicycle facilities, traffic signals, and other transportation infrastructure.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Do not apply for low-interest loan funding opportunity.		Tacoma Water will budget for the \$2 million capital improvement project using operating revenue. ES will use existing capital funds for this urgent project and rely on bonds, which may have less favorable terms than the loan. PW will use existing funds to complete this project.

EVALUATION AND FOLLOW UP:

If Tacoma Water, ES, and/or PW are awarded low-interest loan funds, staff will bring the loan terms and contract(s) back to the Council for approval to enter into a funding agreement(s).

STAFF/SPONSOR RECOMMENDATION:

Staff recommends the approval of the request for authority to apply for the PBW loan through Washington State Department of Commerce.



FISCAL IMPACT:

Fund Number & Name	COST (CC/WBS/ORDER)	OBJECT	Cost Element	Total Amount
1. 4301 – ES Stormwater Fund	529700		4300020	(\$10,000,000)
2. 1085 PW Streets Initiative Fund	PWK-00434-32		4300020	(\$2,900,000)
3. 4600-CAPTL	<u>WTR-00688-01 & WTR-00688-04</u>		<u>4300020</u>	<u>(\$2,083,720)</u>
TOTAL				

What Funding is being used to support the expense? N/A

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS: