



APPROVED 4/24/24

MINUTES
City of Tacoma
Public Utility Board Meeting
April 10, 2024
6:30 p.m.

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

Present: Carlos Watson; Elly Claus-McGahan; Anita Gallagher; William Bridges; John O'Loughlin

Minutes of the Previous Meetings

Mr. O'Loughlin moved that the minutes of the previous meetings be adopted; seconded by Mr. Bridges. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

There were no public comments.

Regular Agenda

C-1 Resolution U-11450 - A resolution to award certain contracts and approve certain purchases:

1. Award two-year contract to WEMCO, Inc., to modernize the primary overhead crane at the Mayfield Powerhouse located at Tacoma Power's Cowlitz Hydroelectric Project (\$2,512,699, plus applicable taxes) [Steve Belvin, Power Systems Engineer];
2. Increase and extend contract to Brown and Caldwell for owner's advisor professional services in support of the Pipeline One project (\$2,053,524, plus applicable taxes) [Ali Polda, Principal Engineer].

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

In response to a Board inquiry regarding the crane being out of service, Steve Belvin, Power Systems Engineer, shared that the crane will not be out of service; assembly is scheduled for the end of 2025 to 2026. It won't be operational for approximately one month. The crane's purpose is designed specific to hydropower units and is only in service when maintenance is scheduled. This will be outside of the regular hydro maintenance schedule.

Voice vote was taken and carried. The resolution was adopted.

C-2 Motion 24-02 - That in accordance with Tacoma Municipal Code 1.06.380, the Board approves the assignment of Michael Smith to the position of Deputy City

Attorney to the Department of Public Utilities legal office upon the recommendation of the City Attorney.

Mr. O'Loughlin moved to approve the motion; seconded by Mr. Bridges.

Chris Bacha, City Attorney, stated his office is looking at succession planning and making sure attorneys are well-rounded in all areas of municipal law. Board Member Gallagher remarked that she worked with Mr. Smith before and she supports this motion as Mr. Smith was a knowledgeable and collaborative co-worker.

Voice vote was taken and carried. The motion was approved.

C-3 Motion 24-03 - That in accordance with Article IV, Section 4.18 of the Tacoma City Charter, the Board has completed and approved an annual performance review of Jackie Flowers, the Director of Utilities, and the Board reconfirms the appointment of Jackie Flowers to serve as Director of Utilities for a two-year period beginning on May 3, 2024, and the Board requests that the City Council concur in the Board's reconfirmation and reconfirm Jackie Flowers as the Director of Utilities for another two-year period beginning on May 3, 2024.

Mr. O'Loughlin moved to approve the motion; seconded by Mr. Bridges.

Voice vote was taken and carried. The motion was approved.

C-4 Resolution U-11451 – Approve reauthorization of grant agreement RRB-1311 from the Washington State Department of Transportation for \$4,950,000 associated with the acquisition of two, zero-emission locomotives and installation of the associated on-site charging infrastructure.

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Alan Matheson, Assistant Rail Superintendent, summarized the resolution. The Board Council previously approved a version of Grant Agreement No. RRB-1311 via Resolution No. U-11433 and Council Resolution No. 41345, respectively, to assist with the acquisition of two, zero-emission locomotives and with the installation of the associated on-site charging infrastructure. Prior to the final execution of this agreement WSDOT staff changed language in Section 14.5 nondiscrimination not previously approved by the Board and the Council to be consistent with changes made to RCW 49.60.530, in the 2023 State legislative cycle. Additionally, WSDOT staff has refined the language in Section 36 related to Climate Commitment Act branding requirements. Tacoma Rail staff were notified of these changes after Council's approval was obtained on January 23, 2024, and the funding level and other provisions of the agreement remain unchanged. Considering the changes, Tacoma Rail believes it is prudent to seek reauthorization recognizing the document has changed from the version on file in the office of the City Clerk at the time of the Council's approval on January 23, 2024.

Voice vote was taken and carried. The resolution was adopted.

C-5 Resolution U-11452 – Authorize Tacoma Rail to accept \$3,300,000 in grant funding from the Washington State Department of Ecology toward the acquisition of a zero-emission, battery-electric switcher locomotive.

Mr. O'Loughlin moved to adopt the resolution; seconded by Mr. Bridges.

Alan Matheson, Assistant Rail Superintendent, summarized the resolution. Tacoma Rail requests approval to accept grant funding from the Washington State Department of Ecology, in the amount of \$3,300,000 to be applied towards the acquisition of a zero-emission battery-electric switcher locomotive. The grant funds were awarded as a distribution from the State's Volkswagen Settlement Fund after a competitive call for projects from Ecology. The project will continue Rail's efforts toward decarbonization eliminating the annual consumption of up to 30,000 gallons of diesel fuel by replacing a genset diesel-electric locomotive with a third battery-electric switching locomotive to Tacoma Rail's fleet and rendering two diesel engines manufactured between 2008 and 2009 inoperable. It is anticipated that the installation of locomotive charging equipment from the initial battery-electric project will be sufficient to support this additional battery-electric switcher locomotive. Rail will be required to cover all associated project costs that exceed this grant award, the current estimated cost for a battery-electric locomotive is approximately \$5,500,000.

Voice vote was taken and carried. The resolution was adopted.

D. Reports of the Director

Guiding Principle Five (GP5, Environmental Sustainability) Update

Jessica Wilson, Public Information Officer, reviewed the purpose statement and measurements of GP5. Rochelle Gandour-Rood, Education Outreach Manager, provided a report on Measurement One, which states "Report progress on ongoing TPU and joint TPU-General Government initiatives related to environmental stewardship and climate change". Power completed its electrification study to inform the Integrated Resource Plan and enrolled in low carbon fuel standards. Water launched paperless notifications for continuous water use, began implementation of the watershed strategic plan, and completed phase one of LED light fixture program. Rail was awarded \$15.99M to acquire battery-electric locomotives and conducted research and analysis to support reduction in diesel emissions. Measurement Two states "Track community outreach and communication activities related to environmental stewardship, customer rebates, decarbonization, and electrification, as well as customer participation in programs. Ms. Gandor-Rood reported that more than 1,800 in-depth conversations with customers at 47 events took place. Customers are interested in learning about EV charging, solar, home heating options, and BCAP. There were more than 3,600 total interactions at 44 events and youth programs. Staff distributed 994 water saving kits and provided 82 rebates for smart irrigation controllers. Logan Bahr, State Relations Manager, reported on Measurement Three which states "Report on our work on environmental and climate-related policies at the local, state, and federal levels. The Tacoma Climate Action Plan was implemented. Staff advocated on various policy bills this legislative session and made budget requests for grid upgrade, zero-emission service vehicle project, and the Mossyrock pumped storage study. On the federal front, staff worked on electric locomotive and Howard Hanson dam funding.

E. Board Comments

Chair Watson expressed appreciation for the opportunity to learn at the American Short Line Regional Railroad annual conference and engage with Rail staff.

F. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at 6:58 p.m. until Wednesday, April 24, 2024, for a study session at 3:00 p.m., followed by a regular meeting at 6:30 p.m.

Approved:



Carlos Watson, Chair



William Bridges