



PUB APPROVED 12/10/25

MINUTES
City of Tacoma
Public Utility Board Study Session
November 5, 2025
3:00 p.m.

Chair O'Loughlin 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; Elly Claus-McGahan; William Bridges

Excused: Anita Gallagher; Devin Hampton

Overview of Board Budget/Rates Workshop and 2026 Budget Calendar

Deputy Director, Alex Yoon, provided the Board with an overview of the upcoming budget and rate workshop agenda and the 2026 budget calendar. The workshop is scheduled for December 15 and 16 with day one covering processes, financial policies and reserves, long-range financial plans, rate-making fundamentals, and capital plans. The plan for day two is to cover the current biennial budget and financial metrics, emerging trends, cost-saving measures, utility assistance programs, and a look ahead to 2026. The budget rates and timeline, including when presentations will be made to the Board, were shared. Final Board consideration is targeted for October 2026 and Council November 2026.

Tacoma Water: Drinking Water State Revolving Fund Low-Interest Loan

Dana Larsen, Water Division Manager, provided background on the Drinking Water State Revolving Fund (DWSRF) loan application. Water applied for this low-interest loan in 2025, and the application, subject to governing body approval, was successfully awarded. The project scope is to replace 750 feet of two-inch galvanized and plastic main on A Street (Aqueduct Drive East to 99th Street East) with eight-inch galvanized ductile iron main. The loan amount is for \$1,085,298 with a term of 24 years, interest rate of 1.75 percent, and loan forgiveness of fifty percent. This item will come before the Board and Council for consideration at a future meeting.

Tacoma Rail: Apprenticeship Program

Joe Furtney, Trainmaster, shared that Rail's new conductor trainee/apprenticeship program is a comprehensive 9-month curriculum combined with on-the-job training designed to cultivate local talent, ensure operational readiness, and a build workforce

that mirrors the community. Winfred Holmes, Rail Operations/HR Manager, summarized the four-step journey of the trainee. These include orientation and initial training; on-the-job training; advanced on-the-job training; and final preparation for job placement that includes testing. These changes will require an update to TMC 1.24 and will come before Labor, the Public Utility Board, Civil Service Board, and Council for consideration.

Director's 2026 Work Plan and Review/Reconfirmation Timeline

In 2026, the Council is scheduled to reconfirm the appointment of the Director of Utilities. Director Flowers provided an overview of her 2025 performance review schedule for both the Board and Council for 2026. The process must be complete before the end of April 2026.

Director Flowers then walked through her work plan for 2026. The Director tied each item to a Board Guiding Principle, the Strategic Plan, or an organizational goal: Enhance and implement TPU strategic plan; Strengthen employee experience; Elevate customer experience; Enhance operational excellence; next biennial budget and rates.

Board/Director Comments/Updates

Board Members made positive remarks about a recent visit to the Cushman hydro project to view the turbine rewind work.

Board Members Claus-McGahan made positive remarks about a recent visit to Tacoma Rail.

Chair O'Loughlin commented that Power received a clean audit from the State Auditor for the Energy Independence Act implementation.

Chair O'Loughlin reported on outcomes of the week's GPFC meeting he attended.

Board Members made remarks about attending this year's Chamber annual meeting.

Executive Session

At 5:10 p.m., Chair O'Loughlin moved to convene an executive session to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee [RCW 42.30.110(g)]; seconded by Board Member Bridges. Voice vote was taken and carried. Chair O'Loughlin announced that at the end of the executive session, no further business would be discussed and moved that the Clerk of the Board is authorized to adjourn the executive session; seconded by Board Member Bridges. Voice vote was taken and carried.

Chief Deputy City Attorney Engel Lee was present for the executive session. The executive session was adjourned at 5:43 p.m.

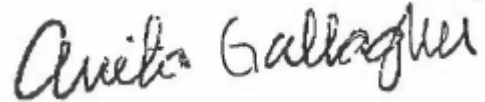
Adjournment

The study session was adjourned at 5:43 p.m.

Approved:

A handwritten signature in blue ink, appearing to read "John O'Loughlin".

John O'Loughlin, Chair

A handwritten signature in blue ink, appearing to read "Anita Gallagher".

Anita Gallagher, Secretary