



APPROVED 6/25/25

MINUTES  
City of Tacoma  
Public Utility Board Meeting  
May 28, 2025  
6:30 p.m.

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

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

**Minutes of the Previous Meetings**

Mr. Bridges moved that the minutes of the previous meetings be adopted; seconded by Ms. Claus-McGahan. Voice vote was taken and carried. The minutes were declared adopted.

**Public Comments**

Brett Marlo made public comments concerning power urban infill related to undergrounding new services to both new and existing buildings. Ms. Marlo spoke in support of reducing barriers and costs to undergrounding of utilities, Power having policies in writing, and the option for easements for overhead services.

Public Hearing on Tacoma Water's Amended Water System Plan

Daniel Reisinger, Principal Engineer for Water Engineering and Planning, summarized the updates to the Water System Plan. Tacoma Water is amending its Water System Plan to enhance the ability to apply for grants and loans. State and federal grant and loan applications are more successful when the projects are explicitly outlined in the Water System Plan. The current plan's capital improvement plan, written in 2018, does not account for many significant upcoming projects, such as PFAS treatment and the Pipeline 1 pressurization program. The amendment will update the capital improvement plan and related financial analysis to reflect the adopted 2025/2026 budget and 2027-2034 capital improvement plan. The proposed water system plan amendment includes an updated chapter eleven – capital improvement plan, reflecting current projects and additional critical future projects; a corresponding update to chapter twelve – financial analysis; regulatory service area maps with current terminology; and an updated water rights self-assessment. The water system plan amendment requires extensive review, including public review and comment; input from wholesale customers, adjacent water purveyors, and jurisdictions we serve to ensure consistency with their planning; regulatory review and approval from the Department of Health, Department of Ecology, and King County.

There were no public comments on the water system plan.

## **Regular Agenda**

C-1 Resolution U-11532 - A resolution to award certain contracts and approve certain purchases:

1. Increase contract with Schnabel Engineering, LLC for on-call civil and structural engineering services to support ongoing and upcoming projects (\$1,500,000, plus applicable taxes. Contract total \$1,900,000, plus applicable taxes) [Jason Henry, Power Systems Engineer];
2. Award contract to Schweitzer Engineering Laboratories for supplying micro processor-based protection and control equipment (\$1,200,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
3. Award two-year contract to Cannon Constructors for on-call telecommunications system outside plant construction/maintenance (\$2,905,424.15, plus the option to renew for three, one-year extensions for a projected contract amount of \$4,000,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
4. Increase contract to Border States Electric for the purchase of 15kV fused disconnect switches (\$200,000, plus applicable taxes. Cumulative contract amount \$700,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
5. Increase contract to Stella-Jones Corporation for distribution wood poles (\$2,000,000, plus applicable taxes. Cumulative contract total \$9,650,000, plus applicable taxes) [Erica Pierce, Sr. Business Services Analyst];
6. Increase contract to Perteet, Inc., for on-call engineering services (\$1,200,000, plus applicable taxes. Cumulative contract amount \$1,700,000, plus applicable taxes) [John Merrell, Asst. Section Mgr.];
7. Increase contract to Cerium Networks, Inc., for Dell computer equipment, peripherals, and related services pertaining to the Advanced Distribution Management System (\$1,561,734.24, plus applicable taxes) [Tony Landrith, OSS Technology Mgr.];
8. Award five-year contract to Nokia of American Corporation for hardware warranty, software upgrades, and technical support for TPU's multiprotocol label switching wide area network (\$619,678.91, plus applicable taxes. Includes option to renew for additional one-year periods for a projected contract total of \$739,678.91, plus applicable taxes) [Thomas Stedman, Sr. Telecom Engineer].

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

Chair O'Loughlin moved to amend Resolution U-11532 by removing item 8 from the general purchasing resolution in order to allow staff additional preparation time; seconded by Board Member Bridges. In response to a Board inquiry regarding the removal of this item, Joy Sage, Technology Division Mgr, explained that staff intends to bring this item forward at the next Board meeting and that the additional time will be used to complete the internal review process with the technology governing body. Voice vote taken and carried; item number eight was removed from Resolution U-11532.

In response to a Board inquiry about the contract end date for item number one, Jason Henry, Power Systems Engineer, confirmed the end date is March 2028.

In response to a Board inquiry about staff availability on item number three, Erica Pierce, Sr. Business Services Analyst, confirmed that TPU staff is available 24 hours a day and that this contract staff will be used to augment staff as needed.

In response to a Board inquiry on item number four about additional costs, Ms. Pierce shared that the increase covers additional purchases. The price for parts has been affected by inflation outside the normal PPI adjustment. Also, staff had to purchase more parts than originally anticipated.

In response to a Board inquiry on item number five regarding pole pricing, Mr. Pierce shared that this contract is to purchase distribution poles made of red cedar. There are 2,300 poles on the contract with an average price of \$2,133.38. This is the inlaid cost with treatment of poles.

In response to Board inquiry on item number seven for clarity on pricing, Tony Landrith, OSS Technology Manager, explained that this purchase is part of the state cooperative agreement. Per the purchasing policy, the city contract is added on top of the state cooperative agreement; that is why the pricing shows as offsets.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

C-2 Motion 25-04 – That in accordance with Tacoma City Charter Article IV Section 4.21, the Public Utility Board confirms the Director of Utilities' selection of Keri Burchard-Juarez as Superintendent of Tacoma Water, effective June 18, 2025.

Mr. Bridges moved to approve the motion; seconded by Ms. Claus-McGahan.

Director Flowers shared that after a highly competitive hiring process, Ms. Burchard-Juarez was selected. Ms. Burchard-Juarez currently serves as Deputy Director for project delivery and engineering at Seattle Public Utilities. She brings more than 25 years of experience with a decade of executive leadership. Board Members made positive remarks about this appointment. Ms. Burchard-Juarez expressed appreciation for this opportunity and made other positive remarks.

There was no public comment.

Voice vote taken and carried. The motion was approved.

C-3 Resolution U-11533 – Authorize Tacoma Power to complete distribution and protection system improvements to serve the Mary Bridge Children's Hospital project in the amount of \$2,580,000, which will be paid for by MultiCare Health System

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

John Merrell, Asst. Section Manager, summarized the resolution. MultiCare is redeveloping a portion of its premises in the vicinity of Martin Luther King Jr. Way and Division Ave., consisting of a new children's hospital, a medical office building, and parking facilities. In January 2023, at the request of MultiCare, Tacoma Power completed a system impact study (2023 system impact study) to identify the impacts and required system modifications to serve approximately 3.3 megawatts of additional load associated with the facilities as well as to meet MultiCare's requested resiliency needs. The 2023 system impact study determined that a new substation and other system modifications were required to serve the proposed loads and meet the requested resiliency needs and study further recognized that the timeline to complete the substation and other system modifications would exceed the timeline to energize the facilities, and consequently, a plan to provide limited service during the interim period was developed. A utility installation agreement (short-term service) was developed to provide for the necessary utility work for the facilities in order to provide limited electric service during the interim period and said utility installation agreement required that MultiCare enter into an additional utility installation agreement for installation of a substation prior to energizing service to Mary Bridge Children's Hospital. The Board approved the utility installation agreement (short-term service) under Resolution U-11397 and MultiCare later advised Tacoma Power the planned facilities would actually increase load by approximately 3.5 megawatts, but that MultiCare planned to install its own generation with output of approximately 2MW that would offset the increased load. MultiCare further advised that it no longer required electric service automatic redundancy for the Mary Bridge Children's Hospital and existing Tacoma General Hospital. In February 2025, MultiCare requested a revised system impact study (2025 impact study) to determine if the additional generation interconnection and reduced resiliency requirements could alleviate the need for a new substation as identified in the 2023 system impact study. The 2025 system impact study concluded that with specific operational requirements placed upon MultiCare, reduced electric service redundancy, and Tacoma Power system modifications, Tacoma Power's system could serve the proposed load. The Tacoma Power system modifications include distribution system improvements and system protection improvements to interconnect the MultiCare generation; the cost of these system modifications is estimated to be \$2,580,000. Tacoma Power requests authorization to enter into a reimbursement agreement with MultiCare to fund the required Tacoma Power system modifications identified in the revised 2025 System Impact Study. In addition, Tacoma Power requests approval of Amendment No. 1 to utility installation agreement (short-term service) to require execution of the MultiCare MBCH reimbursement agreement and an operating agreement, in lieu of a utility installation agreement for a substation as stipulated in the utility installation agreement (short-term service), prior to energizing the Mary Bridge Children's Hospital.

Chair O'Loughlin shared that the Board has had briefings on this topic in addition to study session presentations.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

- C-4 Resolution U-11534 – Authorize Tacoma Power to enter into an operating agreement with MultiCare Health System as a condition of providing electrical service to the Mary Bridge Children’s hospital project

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

John Nierenberg, Asst. Section Manager, summarized the resolution. In alignment with the background given for Resolution U-11533, Tacoma Power requests authorization to enter into an operating agreement with MultiCare. The operational requirements include (i) no automatic redundancy to the Mary Bridge Children’s Hospital and the existing Tacoma General Hospital, (ii) a net electric load limitation for medical facilities owned and operated by MultiCare, including hospitals, medical office buildings, and parking facilities on its property within the City of Tacoma served by Tacoma Power and that contribute to MultiCare’s electric load, and (iii) obligations related to MultiCare’s owned generation.

Chair O’Loughlin shared that the Board has had briefings on this topic in addition to study session presentations.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

- C-5 Resolution U-11535 – Authorize Tacoma Power to revise the annual non-government wireline attachment fee in accordance with Tacoma Power’s master pole attachment agreement

Mr. Bridges moved to adopt the resolution; seconded by Ms. Claus-McGahan.

Beverly Pinkerton, Sr. Business Services Analyst, summarized the resolution. Tacoma Power facilitates community access to telecommunication services by permitting the use of its infrastructure by service providers, government entities, and other authorized parties to attach wires, cables, antennas, and other equipment to poles and/or distribution system facilities for the purpose of providing telecommunications and related services. Tacoma Power first developed its uniform Master Pole Attachment Agreement (MPAA) templates to govern the use of its distribution system facilities and which specified fees to be charged for such use and to promote the best use and to ensure administratively efficient and cost-effective management of pole attachments, Tacoma Power developed uniform MPAA templates with pole attachment fee amounts that were adopted by the Board in 1996 under resolution U-9231. The Board authorized changes to the uniform MPAA templates and pole attachment fees in January 2018 under resolution U-10983. Leading up to the 2018 resolution, Tacoma Power hired a consultant to evaluate the pole attachment fee structure. The consultant recommended that Tacoma Power adopt a wireline pole attachment fee consistent with Washington State’s wireline fee calculation methodology as set forth in R.C.W. 54.04.045, which was used to establish the fees found in the MPAA approved under Resolution U-10983. Setting fees for wireless attachments, however, proved challenging because the market was not fully established or developed thus leading to limited available information. In September 2018, the FCC promulgated FCC Order 18-133 in which it declared

jurisdiction over municipally owned pole infrastructure in relation to wireless pole attachments and established fee levels that the FCC would consider presumptively nondiscriminatory and a reasonable approximation of costs to pole owners, effectively a “safe harbor” fee amount, for small wireless facilities attached to poles. In 2020, Tacoma Power adopted this safe harbor fee amount for small wireless pole attachments as follows: the annual fee for microcell was increased from \$101 to \$198; the annual fee for small cell facility was decreased from \$1,200 to \$421, and the minor facility annual rate was left unchanged. The terms of the MPAA provide that Tacoma Power may review and modify the fees to account for changes in Tacoma Power’s cost accounting methodology and policies or other justifiable costs. Since the last pole attachment fee adjustments in 2018, Tacoma Power has seen an increase in overall operating costs, including wood poles and other core components and believes adjustments to its pole attachment fees are necessary. Tacoma Power has reviewed its wireline pole attachment fees using the fee calculation methodology with the most recent financial information and proposes an increase to its wireline pole attachment fee from \$26.49 to \$44.40; key factors contributing to this increase include the costs of a bare pole and Tacoma Power’s carrying costs.

In response to a Board inquiry regarding customer notification, Mr. Pinkerton shared that the MPAA stipulates modifications can be made and customers adhere to the changes. Customers will be advised in writing if the resolution is approved.

There was no public comment.

Voice vote taken and carried. The resolution was adopted.

#### **D. Reports of the Director**

##### **Q1 2025 Budget Performance Report**

Director Flowers called on Alex Yoon, Deputy Director for Administration, to provide a report on the first quarter 2025 budget performance reports for Power, Water, and Rail. Ms. Yoon presented the key budget information, covering revenues and expenditures, for each of the operating divisions.

#### **E. Final Board Comments**

Chair O’Loughlin announced that the Public Utility Board study session and regular meeting of June 11, 2025, are cancelled and that appropriate notice would be posted and published.

#### **Executive Session**

At 7:20 p.m., Chair O’Loughlin moved to convene an executive session for up to 45 minutes to consider the minimum price at which real estate will be offered for sale or lease [RCW 42.30.110(c)]; seconded by Mr. Bridges. Voice vote taken and carried.

Chair O’Loughlin announced that the Board would take no further action after the executive session, and he would return to adjourn the meeting. The executive session was adjourned at 7:49 p.m.

## **F. Adjournment**

There being no further business or comments, the Public Utility Board meeting was adjourned at 7:49 p.m. until Wednesday, June 25, 2025, for a study session at 3:00 p.m. and a regular meeting at 6:30 p.m.

Approved:



John O'Loughlin  
Chair



Elly Claus-McGahan  
Secretary