



APPROVED 2/28/24

MINUTES
City of Tacoma
Public Utility Board Meeting
February 14, 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. Watson moved that the minutes of the previous meetings be adopted; seconded by Mr. O'Loughlin. Voice vote was taken and carried. The minutes were declared adopted.

Comments by the Public

Angela Olson made comments in opposition to water rate adjustments made in response to the WestRock Mill closure.

Recognition

Jodi Collins, Water Financial Stewardship Manager, and Lyna Vo, Sr. Utilities Economist, reported on Tacoma Water's rating agency bond rating. In summary, Water system refunding metrics: \$5.832M savings over 20 years or 7.84 percent net present value savings; \$262,700 savings in 2024; Most maturities were over-subscribed by four to ten times, and we repriced to achieve nearly \$500,000 more savings than the original offer. Regional System (Water share only): \$2.00M savings over ten years or 7.52 percent net present value savings; \$446,269 savings in 2024; Sold all maturities with only one over-subscribed, original pricing was right for the market.

Regular Agenda

D-1 Resolution U-11436 - A resolution to award certain contracts and approve certain purchases:

1. Award 10-month contract to Linde Inc., for liquid oxygen supply and technical service (\$112,740, plus applicable taxes. Includes option to renew for four additional one-year renewal periods for a projected contract amount of \$563,700, plus applicable taxes) [Kim DeFolo, Principal Engineer].

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

In response to a Board inquiry, Kim DeFolo, Principal Engineer, clarified that liquid oxygen has been provided by the same vendor since 2007; Praxair merged with Linde. The product is produced in Fife and driven to the Headworks from there.

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

D-2 Resolution U-11437 – Authorize Tacoma Water to relinquish service to a residential plat named Hidden Hollow, which is included in the Graham Community Plan located within unincorporated Pierce County, from its service territory to the adjacent water purveyor, Washington Water [Ryan Cox, Asst. Water Division Mgr].

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

Ryan Cox, Assistant Water Division Manager, summarized the resolution. The developer of a proposed residential plat named Hidden Hollow has requested Tacoma Water provide a certificate of water availability and commitment to serve water to six vacant land parcels located within the Graham Community Plan in unincorporated Pierce County commonly known as the Sunrise area of the South Hill Community Plan. Four of the vacant land parcels are located within Tacoma Water’s service area, and two are in unclaimed territory according to the Pierce County Coordinated Water System Plan. The development timeline for Hidden Hollow indicates that water will be needed onsite at the six vacant parcels in early 2026. Even though the direct distance between the Tacoma Water’s water main nearest to the Hidden Hollow development is only 2,400 feet, because Tacoma Water’s water main sits approximately 60 feet below the planned elevation for the Hidden Hollow development, a direct path may not be an achievable solution. Tacoma Water’s neighboring water utility Washington Water does have facilities that are much closer to the Hidden Hollow development. In consideration of these unique circumstances, Tacoma Water requests the Board approve the adjustment of its service area to release the parcels on record from the Tacoma Water service area.

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

H. Reports of the Director

There were no reports of the Director.

I. Final Comments by the Board

Mr. O’Loughlin made comments in favor of asset management work done by the utility and voiced support of program enhancements.

J. Adjournment

There being no further business or comments, the Public Utility Board meeting was adjourned at p.m. until Wednesday, February 28, 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