



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Alan Matheson, Rail Superintendent
MEETING DATE: October 8, 2025
DATE: September 8, 2025

GUIDING PRINCIPLE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Guiding Principle(s) is supported by this action.

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

SUMMARY: Tacoma Rail requests authorization to enter into a Loan Agreement with the Washington State Department of Transportation, for \$1,122,000, for the purpose of upgrading three frequently used railroad tracks in the Tacoma Tidelands area.

BACKGROUND: Tacoma Rail was awarded a loan in the amount of \$1,100,000.00, plus a \$22,000 administrative fee, subsequent to a WSDOT competitive call for projects. Loan agreement numbered RRC 1011 is for a ten-year term, requiring annual payments of \$112,200 starting on January 1, 2028, and requires Tacoma Rail to contribute \$469,250 in matchings funds toward completion of the project.

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: Washington State Department of Transportation loan agreement letter.

CONTACT:

Primary Contact: Kyle Kellem, Roadmaster, 253-377-3554