



APPROVED 10/22/25

MINUTES  
City of Tacoma  
Public Utility Board Study Session  
October 8, 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; Devin Hampton; Anita Gallagher; William Bridges

**Tacoma Power: Bonneville Power Administration (BPA) Contract Discussion**

Ray Johnson, Power Manager, made introductory remarks. Tacoma Power will request authority to sign a 16-year Slice power purchase contract to continue cost-based federal power from the Bonneville Power Administration (BPA). Leah Marquez-Glynn, Assistant Power Manager, provided background. BPA is a federal power marketing agency and is an essential part of Power's supply. Tacoma Power has been a BPA preference customer since 1940 and is BPA's fourth largest customer. BPA is required by statute to sell power to preference customers at cost. BPA is highly desirable to customers in that it is reliable, low cost, low carbon, and has load flexibility. The contract development process and detail were outlined. The slice contract provides a percentage share of the federal system. The block component provides a monthly block of power. Thorough analysis of product offerings finds that slice remains the best product for Tacoma as it best positions Tacoma to meet customer demand in the future; is the lowest cost option; and presents the least implementation risk. The cost of the product in any given year will depend on many factors including load, BPA system costs, and hydrological and wholesale market factors. The anticipated spend is \$1.2 to \$1.45 billing over the life of the contract. In summary, as a preference customer, Tacoma can purchase flexible, low carbon power from BPA at a low cost. The Slice is the product that puts Tacoma in the best position from both a resource adequacy and economic perspective. Slice is also the product that has been utilized since 2011; this new version will be very similar with adjustments for organized markets. Tacoma Power would like to sign the slice contract soon to commit to purchasing power from BPA for the October 1, 2028, to September 30, 2044, timeframe.

## **Tacoma Power: Federal Energy Regulatory Commission (FERC) Licensing Training**

The information in this presentation was provided by Chris Mattson, Generation Manager; Matt Bleich, Natural Resources Manager, and HDR consultants Jenna Borovansky and Emily Andersen. Roughly 40 to 45 percent of Power's customer energy comes from four hydro projects. Three out of four licenses to operate these projects expire in 2037. Relicensing is a 10-year effort resulting in a 40–50-year commitment. Relicensing filings for each project typically take five plus years of preparation prior to formal processing. Tacoma Power initiated discussions in 2023 throughout the organization to address the upcoming overlap of license expiration dates. Multiple hypotheses are being tested, including: 1) investigation of the relicensing versus not relicensing the Wynoochee Project; 2) review of current license schedules and opportunities for modification of schedules. The project schedule was detailed. Each of the following areas were summarized: Federal Energy Regulatory Commission (FERC) relicensing regulatory landscape; processes and timeline; integrated licensing process; planning considerations for FERC proceedings; cost considerations for relicensing; and preparing for FERC proceedings. The Board's role was discussed. The role includes authorization of budget and spending authority; authorize execution of necessary licensing documents required by FERC; and continued budget and spending authority for resources required for license implementation.

## **TPU Asset Management Program**

The purpose of the presentation is to share the current state overview of TPU asset management, asset types, and investment strategies; and goals and key features of future state of asset management.

Tacoma Power: Julie DeYoung, Power Business Services Mgr, provided an overview of Power's assets. Generating power includes seven dams and spillways; 22 hydro generators and turbines; and eight hydroelectric facilities. There are 113 substations and switchyards; 2,386 miles of power lines; and over 50,000 wood poles and 700 steel towers. There are four fish hatcheries; four parks and campgrounds; 2,000 plus acres of wildlife habitat; 400 plus buildings; and 1,000 plus fleet assets. The approximate value of Power's fixed assets is \$1B. Ms. DeYoung provided an overview of asset data and collection methods and long-term asset planning.

Tacoma Water: Jenni Chadick, Asst. Water Division Mgr, provided an overview of Water's assets. Infrastructure includes 1,428 miles of water main; 11,500 fire hydrants; 24 active wells; 28 pump stations; 77 pressure reducing valve stations; the McMillin Reservoir (67.6 million gallons); and 17 other reservoirs and standpipes (69.9 million gallons). The value of Water's fixed assets is estimated at \$1.3B. The asset data information system and long-term asset planning were summarized.

Tacoma Rail: Dan McCabe, Rail CIO/CFO, provided an overview of Rail's assets. Rail's infrastructure includes 33 miles of track, 176 track switches, 148 grade crossings (7 signalized), three bridges, 14 locomotives, 1,000 to 2,000 railcars in custody at any given time, and a locomotive maintenance facility. Long-term asset management planning was summarized.

The goal is to improve the asset lifecycle analysis to better capture total cost of ownership, including operating and capital expenses. Also, to align business processes and technology systems, when possible, to minimize technical debt, leverage institutional knowledge and skills training. Key features involve standard configuration of technology systems, limiting customization; mobile access for maintainers and technicians to enable capturing maintenance data from the field; streamlined asset data collection processes. Total cost of ownership will be documented; consistent recording and tracking of time, labor, and resources required for maintenance and operating activities. Whole lifecycle modeling versus asset replacement modeling. Utility modernization efforts have enabled possibilities to access operational SCADA data historically only accessible to a limited group of analysts. Also, integrating data systems could allow the utility to better predict asset failures based on operational data collected from remote sensors and devices.

Daniel Key, City IT Director, then spoke to this topic in relation to the SAP Now! Project. Mr. Key reviewed which work and asset management features are managed in SAP and the asset work management features for the SAP phase 2 project.

### **Board/Director Comments/Updates**

Board Member Claus-McGahan made positive remarks about a recent field trip to Cowlitz for learn more about the restoration and recovery program.

Chair O'Loughlin made positive remarks about the Celebrity Waiters program that benefitted the TPU United Way campaign.

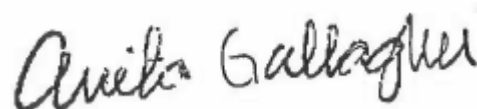
### **Adjournment**

The study session was adjourned at 6:01 p.m.

Approved:



John O'Loughlin, Chair



Anita Gallagher, Secretary