



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 25, 2025

GUIDING PRINCIPLE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|--|
| ☐ GP1 – Diversity, Equity, Inclusion, Belonging | ☐ GP7 – Reliability & Resiliency |
| ☐ GP2 – Financial Sustainability | ☐ GP9 – Economic Development |
| ☐ GP3 – Rates | ☐ GP10 – Government Relations |
| ☐ GP4 – Stakeholder Engagement | ☐ GP12 – Employee Relations |
| ☒ GP5 – Environmental Sustainability | ☐ GP13 – Customer Service |
| ☐ GP6 – Innovation | ☒ GP14 – Resource Planning |

SUMMARY: Tacoma Rail requests reauthorization to accept federal grant funding previously authorized by Resolution U-11431. Project scope has changed from acquisition of two zero emission locomotives to repowering two Utilities owned locomotives with Tier-4 diesel engines.

BACKGROUND:

Rail was awarded \$4,095,000 following a competitive call for projects from the FY22 Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program. Under the current Presidential administration U. S. DOT and Federal Railroad Administration priorities have changed, resulting in a revised project scope. The revised project will repower two Utilities owned locomotives and will advance TPU and City objectives toward environmental leadership by reducing emissions generated by the two locomotives by approximately 90 percent following the upgrades to include EPA Tier-4 compliant engines.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

The project will likely extend into future biennial budget cycles and will be carried forward as necessary.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR?

No

ATTACHMENTS:

- RESOLUTION U-11431; COUNCIL ACTION ITEMS; FEDERAL RAILROAD ADMINISTRATION NOTICE OF AWARD

CONTACT:

Dan McCabe, Chief Financial Officer, 253-405-9559