APPROVED 2/11/26

MINUTES
City of Tacoma
Public Utility Board Meeting
January 28 2026
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; William Bridges; Anita Gallagher
**Excused:** Devin Hampton

**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**
There were no public comments.

**Regular Agenda**
Departmental
C-1 Resolution U-11581- A resolution to award certain contracts and approve certain purchases:
1. Award three-year citywide contract to Clean Slate Solutions LLC for encampment mitigation, debris, and litter removal services ($9,000,000, plus applicable taxes. Includes option to renew for two additional one-year terms) [Patsy Best, Procurement and Payables Division Mgr];
2. Increase citywide contract to Green Earthworks Construction Inc., for homeless encampment mitigation services ($138,087.67. Cumulative total $5,450,459.57, plus applicable taxes) [Patsy Best, Procurement and Payables Division Mgr].
3. Increase contract to Nelson Distributing, Inc., (dba Nelson-Reisner) for continued purchase of oil, grease, and other miscellaneous lubricants for Tacoma Rail ($125,000, plus applicable taxes. Cumulative total $625,000, plus applicable taxes) [Kari Halliday, Chief Mechanical Officer].

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

Ms. Claus-McGahan moved to split each item on the general purchasing agenda from one another allowing them to be voted on separately; no second was received; the motion did not carry.

In response to a Board request for clarification on item number one, Arly Hyatt, Asst. Division Mgr. of Environmental Services, explained that TPU doesn't fund the City's Tidy Up fund, which is an excise tax applied to solid waste bills. The bulk of the contract is Tidy Up work in conjunction with the Homeless Engagement and Alternatives Liaison (HEAL) team. In the last three years, TPU spent approximately $70,000 on encampment cleanups. This is a citywide contracted intended to make available the contract to do the work as encampments occur and because it is citywide both governing bodies must approve. The spend is approximately $1.8M per year over the five-year life of the contract and that is where the estimated $9M comes from. A smaller part of the contract goes to another vendor which allows them to use Clean Slate employees while freeing up a second contractor to respond immediately as needed.

In response to a Board inquiry on item number two regarding WSDOT reimbursements, Ms. Hyatt shared that the city does work on WSDOT's behalf and gets reimbursed. That reimbursement amount should not have been included in the contract, so the $138,000 was wrongly removed from the ability to spend so the ask is to put it back in. The Board is voting because it voted on the original contract. This is also coming out of the Tidy Up budget.

In response to a Board inquiry about the contract termination date for item number three, Kari Halliday, Rail Chief Mechanical Officer, confirmed that 2026 is the contract termination date. This contract piggybacks off the state contract; the state will have a new contract in place by the end date.

Voice vote taken and carried. The resolution was adopted.

C-2 Resolution U-11582 – A resolution providing updated authorizations to Tacoma Power for the Cowlitz Restoration and Recovery program to support continued compliance with Article 3 of the Cowlitz Federal Energy Regulatory Commission license settlement agreement.

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

Melora Shelton, Sr. Natural Resources Analyst, summarized the resolution. Tacoma Power established the Cowlitz Restoration and Recovery (CRR) program in 2019 after an approval process including the Cowlitz Fisheries Technical Committee (FTC), National Marine Fisheries Service, and the United States Fish and Wildlife Service (Federal Services), the Federal Energy Regulatory Commission (FERC), and the Board. The CRR program funds restoration and recovery actions for threatened and endangered salmon and steelhead in lieu of providing volitional upstream fish passage at the Cowlitz River Hydroelectric Project as required by the license. These authorizations support continued compliance with Cowlitz River Hydroelectric Project Order Approving Settlement and Issuing New License, issued March 13, 2002 (License) and incorporate six years of program implementation experience gained since the original 2019 authorization of the CRR Program pursuant to Resolution No. U-11086. This request includes confirmation of the CRR program through the end of the Cowlitz License (2037), and the following specific protocols and authorities: ongoing authorization to use the CRR program fund together with a more flexible approach to CRR fund availability and spending, and clear execution authority for the Director, and her delegees, pursuant to ongoing CRR program implementation. The CRR program is focused on awarding funds for habitat restoration based on competitive grant rounds as administered by and through Interagency Agreement C2022 with the Lower Columbia Fish Recovery Board (LCFRB). The LCFRB has key roles and expertise in regional salmon and steelhead recovery as well as habitat grant solicitation, evaluation, and administration. FERC requires that the FTC determine how the CRR program funding is spent accordingly, the FTC approves all CRR program fund expenditures. The CRR program also may fund other restoration and recovery actions including assessment work supporting project development and prioritization as well as hatchery-associated production projects beyond Tacoma's hatchery obligations. As of year-end 2024, the CRR Fund held approximately $18M, with $15M unallocated. The CRR program targets full expenditure before the end of 2037 to demonstrate substantive compliance with the FERC license. In order to ensure sustainable funds through 2037, the CRR program has to date operated with a three million dollar per biennium limit on funding as described in Resolution No. U-11086. In practice, it has taken time to gain momentum in both award and spending, as a result, the CRR program is behind original spending projections. Without increasing capacity for awards, the CRR fund may not be fully awarded or expended by 2037, and the biennial three-million-dollar cap was a risk management measure while the program was maturing. The Interagency Agreement has since been demonstrated as a robust mechanism to award and expend funds while stewarding the ratepayer investment in restoration and recovery actions and a substantial number of award-worthy prospects are anticipated over the next three to four years. The anticipated increase in award-worthy prospects, together with the fact that the CRR program is behind original spending projections, make it prudent to increase CRR program flexibility by removing the current three-million-dollar biennial limit on awards and spending. Other benefits of potentially removing biennial limits include earlier accrual of on-the-ground recovery benefits and improved outlook for license compliance by committing and/or expending the CRR program funds by 2037.

Chair O'Loughlin made positive remarks about this resolution and added that the Board had an in depth presentation on this topic and that two Board Members have taken a tour of the site.

Voice vote taken and carried. The resolution was adopted.

Unfinished Business

C-3 Resolution U-11576 – A resolution adopting Public Utility Board Guiding Principle for Resource Sustainability and Stewardship and retiring Guiding Principles Two, Three, Five, Six, Seven, and Fourteen on Financial Sustainability, Rates, Environmental Leadership, Reliability and Resiliency, Innovation, and Resource Planning, respectively.

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

Board Member Claus-McGahan moved to enter a revision that edits the opening verbiage in the Financial Sustainability section that reads: ensure responsible financial management in order to provide fair pricing and affordable services; and encourage economic sustainability within our community through active support in local economic growth, green economy growth, and local job growth; no second was received, the motion did not carry.

Director Flowers summarized the resolution. This is a complex GP that draws focus to the three legs of utility operation; reliability, resiliency, and sustainability.

Board Member Claus McGahan outlined her reasoning for the motion in that the Board understands TPU's financial sustainability depends on the community.

Board Member Bridges thanked all on their work to consolidate the GPs and made positive remarks about the end product.

**D. Final Board Comments**
There were no final comments by the Board.

**E. Adjournment**
There being no further business or comments, the Public Utility Board meeting was adjourned at 6:50 p.m. until Wednesday, February 11, 2026 for a 3:00 p.m. study session followed by a 6:30 p.m. regular meeting.

Approved:

John O'Loughlin, Chair

Anita Gallagher, Secretary