

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF BOARD MEETING OF COMMISSIONERS

Tuesday, March 25, 2025

John Searing Auditorium and Microsoft Teams

Present:

COMMISSIONERS

Dave Quinn, President

Duane Dalgleish, Vice President

Bruce Pollock, Secretary

STAFF

Alice Dietz, Communication & Public Relations Manager

Casey Kalal, Director of Operations

Chris Velat, Director of Power Management

Dever Haffner-Ratliffe, Regulatory Affairs Coordinator

Gary Huhta, General Manager

Kam Afshari, Electrical Engineer

Marisa Heard, Manager of Employee Services

Mike Larsen, Manager of System Engineering

Monica Petterson, Executive Assistant/Clerk of the Board

Richard Hughes, General Counsel

Stacie Pederson, Risk Compliance Manager

Steve Taylor, Director of Regulatory & Regional Affairs

Tim Kalimanis, Director of Technology

Trent Martin, Director of Accounting/CFO

PUBLIC

Curtis Hallier

Julie Proctor

Rusty Williams

1. CALL TO ORDER

Pursuant to published Notice, Commissioner Quinn called the Regular Board meeting of the Commissioners of Public Utility District No. 1 of Cowlitz County, Washington to order at 2:00 p.m.

2. CHANGES/ADDITIONS TO BOARD AGENDA

There were no changes to today's agenda.

3. APPROVAL OF AGENDA

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to approve the March 25, 2025 Board Agenda.

The motion carried 3 to 0.

4. APPROVAL OF BOARD MINUTES

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to approve the March 11, 2025 Regular Board Meeting minutes as written.

The motion carried 3 to 0.

5. PUBLIC COMMENT ON AGENDA ITEMS AND OTHER DISTRICT BUSINESS

There was no public comment.

6. MOTION TO RATIFY/APPROVE VOUCHERS/PAYROLL

Approval of Vouchers in the amount of \$20,360,756.70. The Board reviewed expenditures of the District as required by RCW 42.24.180 for which payments were issued between March 13, 2025 and March 20, 2025, under the provisions of Resolution No. 2762.

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to approve the ratification of the vouchers/payroll.

Risk Compliance Manager Stacie Pederson reported the majority of expenses this period was for power supply, taxes, and benefits. Other items noted include the purchase of three new bucket trucks, cable, dock crew expenses for the Ocean Beach Highway reconductor project and pole replacements, and release of retention for Riverline Construction for the Hansen Road Substation rebuild.

The motion carried 3 to 0.

7. GENERAL MANAGER REPORT

State Audit: General Manager Gary Huhta reported the state audit process has commenced and will take place onsite at the District's main office and remotely. Commissioner Quinn will represent the Board at the entrance and exit conferences.

Bond Refunding: Staff is continuing work on the bond refunding effort and a bond resolution will be presented to the Board at the April 8, 2025 meeting.

High Bill Complaints: Customers saw higher than normal bills recently due to cooler weather, and we received a few customer complaints. Some customers responded to their high bills by requesting a free home energy audit by our Energy Efficiency department to better understand their energy use and ways to lower their bills.

8. ACTION ITEMS

8.1. Motion to Approve Staff Recommendation No. 9/3/25 – Award of Meeker Substation Contract

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to approve Staff Recommendation No. 9/3/25.

Engineer Kam Afshari explained the District solicited and received bids through the advertised bid process for the rebuild and upgrade of the Meeker Substation. Of the four bids received, DJ's

Electrical, Inc. submitted the lowest bid and was found to be both responsive and responsible. Staff recommends the Board authorize award of the Meeker Substation Rebuild contract to DJ's Electrical, Inc.

The motion carried 3 to 0.

8.2. Motion to Approve Resolution No. 2823 – Revised Tenancy-In-Common Interest Purchase Agreement for the Harvest Wind Project

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve Resolution No. 2823.

Director of Accounting and CFO Trent Martin explained the Board approved Resolution No. 2820 at its regular meeting on February 11, 2025 authorizing the General Manager to execute the Tenancy-In-Common Interest Purchase Agreement for the purchase and transfer of Lakeview Green Energy, Inc.'s ownership interest in the Harvest Wind Project to the District. Due to unexpected delays, the transaction was unable to close on February 25, 2025 as stated in Resolution No. 2820. The Tenancy-In-Common Interest Purchase Agreement has since been revised with a new close date of April 30, 2025, and staff recommends the Board approve Resolution No. 2823 with this revision.

The motion carried 3 to 0.

9. STAFF REPORTS AND PRESENTATIONS

- 9.1.** Trent Martin presented an update of the District's major industrial delivery charge. The District last adjusted its major industrial rates in January 2023. Based on the evaluation of current rates using allocation percentages from the last Cost-of-Service (COSA) model, as well as an increase in operating expenses over the last two years, staff is proposing a preliminary delivery charge increase of 25% for Schedule 50 customers, and 16% for Schedule 62 customers. Staff will present a resolution to the Board for approval at the April 8, 2025 meeting.
- 9.2.** Trent Martin presented an update of the District's 401k plan including its history, roles and responsibilities, plan actions, and plan status.
- 9.3.** Trent Martin presented an investment update which included an overview of the District's investment policy, investment yields, current holdings, and US treasuries – maturities.
- 9.4.** District staff provided highlights and answered Commissioner questions regarding the February 2025 Operational Reports which were included in the Board meeting materials.

10. COMMISSIONER REPORTS AND UPCOMING EVENTS

Commissioner Dalglish attended a Kelso/Longview Chamber luncheon last week and a WPUDA reception last Thursday.

Commissioner Pollock attended a WPUDA reception last week, and will attend a 20th District town hall tonight, a COG meeting Thursday, and an Energy Northwest meeting Thursday.

11. EXECUTIVE SESSION

None needed.

12. MOTION TO ADJOURN MEETING

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to adjourn the Regular Board Meeting at 4:37 p.m.

The motion carried 3 to 0.

Attest:

DocuSigned by:
David F. Quinn
SA06107E34AF4AE...

President

Signed by:
Bruce Pollock
CDAB0E3CF00B43E...

Secretary

DocuSigned by:
Duane Dalglish
D22792F10309400...

Vice President

DocuSigned by:
Monica Petterson
75BDF07FD5114E4...

Prepared by Monica Petterson
Executive Assistant/Clerk of the Board