

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF BOARD MEETING OF COMMISSIONERS

Tuesday, August 26, 2025

Cowlitz PUD Board Room 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

Gary Huhta, General Manager

Heather Sorensen, Director of Customer Service & Compliance

Lance Larwick, Director of Engineering

Marisa Heard, Manager of Employee Services

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

Mike Kayser

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 the meeting agenda.

3. APPROVAL OF AGENDA

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to approve the August 26, 2025 Board Agenda.

The motion carried 3 to 0.

4. APPROVAL OF BOARD MINUTES

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to approve the August 12, 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 \$19,279,065.56. The Board reviewed expenditures of the District as required by RCW 42.24.180 for which payments were issued between August 14, 2025 and August 21, 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.

Heather Sorensen, in her role as Auditor for the District, reported the majority of expenses were for power supply, outside services for the Meeker Substation rebuild, payroll and benefits, and conservation incentives. One notable item was a payment to Absco Solutions for access control upgrades.

The motion carried 3 to 0.

7. GENERAL MANAGER REPORT

Rates: General Manager Gary Huhta noted the Board met at a workshop this morning to discuss District rate action ahead of BPA's rate increase on October 1st. District staff will prepare a press release regarding a proposed rate increase and will confer with the Board on its contents before it is issued later this week.

Meeker Substation: Contractor work is nearly complete on the Meeker Substation rebuild and PUD crews will begin their work to energize the station by October 2nd. The substation had reached the end of its useful life due to safety hazards, unavailable replacement parts, and lack of space. All of these issues have now been resolved with the rebuild.

Weekend for Warm Neighbor: As a reminder, tickets are available for purchase on the PUD's website for our annual Eat for Heat event. Sponsorships for the Warm Neighbor Golf Tournament have already exceeded last year's dollar amount. Eat for Heat will take place on Thursday, September 11th, and the golf tournament will be the following day on Friday, September 12th.

Osprey Cam: The District has a nesting platform in the Willow Grove area equipped with a live video feed where viewers can observe osprey in their natural habitat. This has been a popular feature on the District's website. Unfortunately, the osprey pair that arrived this year did not lay eggs.

8. ACTION ITEMS

8.1. Motion to Approve Staff Recommendation No. 18/8/26 – 2025 Property Insurance Renewal

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to approve Staff Recommendation No. 18/8/26.

Risk Compliance Manager Stacie Pederson explained the District's property insurance policy is due for renewal effective August 30, 2025. This year's renewal process was very successful and resulted in a premium decrease of 11% from last year's premium and, factoring in the District's total insured

value vs. premium, a composite rate reduction of 18%. Several factors contributed to the decrease including staff's engagement and relationships with the carriers, as well as the District's business practices, loss history, and secure financials. Ms. Pederson recommends the District renew its property program at the quoted "not to exceed" premium of \$1,740,055, including taxes and fees.

The motion carried 3 to 0.

8.2. Motion to Approve Staff Recommendation No. 19/8/26 – Renewal of Schedule 62 Customer Electric Service Agreement

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve Staff Recommendation No. 19/8/26.

Director of Power Resources Chris Velat explained the District's Electric Service Agreement (ESA) with a Schedule 62 customer is set to expire on September 30, 2025. As a New Large Single Load (NLSL), they are ineligible to purchase BPA priority firm power, and service to their load will be provided under the District's Schedule 62 Tariff. Staff recommend the Board authorize the General Manager to enter into a new ESA with the Schedule 62 customer for a 1-year period commencing on October 1, 2025. The new ESA is substantially consistent with the existing ESA and has been reviewed and agreed upon by the District's Risk Management Committee. Staff also recommend the contract be offered to the Schedule 62 customer as soon as possible in order for it to be fully executed by both parties prior to the September 30, 2025 expiration.

The motion carried 3 to 0.

8.3. Motion to Rescind Resolution No. 2786 – Declaring an Emergency Situation Regarding an Industry-Wide Distribution Transformer Shortage

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to rescind Resolution No. 2786.

Director of Accounting and CFO Trent Martin explained the Board adopted Resolution No. 2777 on August 24, 2021 declaring an emergency situation and waiving the competitive bid process for the purchase of distribution transformers due to an industry-wide shortage of supply. Following the expiration of Resolution No. 2777, the Board adopted Resolution No. 2786 on January 11, 2022 declaring the emergency continued to exist. Resolution No. 2786 indicates it will remain in effect for the duration of the emergency or until the Board withdraws such authority. In 2025, distribution transformer vendors indicated their willingness to entertain bids and enter into a contract. In response, the District solicited bids, and the Board awarded a contract at its August 12, 2025 Board meeting. With a new contract now in place, staff recommend that Resolution No. 2786 be rescinded.

The motion carried 3 to 0.

9. STAFF REPORTS AND PRESENTATIONS

- 9.1.** District staff provided highlights and answered Commissioner questions regarding the July 2025 Operational Reports which were included in the Board meeting materials.

10. COMMISSIONER REPORTS AND UPCOMING EVENTS

Commissioner Dalglish received positive feedback from a commercial customer who indicated District staff provided great customer service during the commercial rebate process.

11. EXECUTIVE SESSION

No Executive Session needed.

12. MOTION TO ADJOURN MEETING

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to adjourn the Regular Board Meeting at 2:43 p.m.

The motion carried 3 to 0.

Attest:

DocuSigned by:
David F. Quinn
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President

Signed by:
Bruce Pollock
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Secretary

DocuSigned by:
Duane Dagleish
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Vice President

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Monica Petterson
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Prepared by Monica Petterson
Executive Assistant/Clerk of the Board