

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF BOARD MEETING OF COMMISSIONERS

Tuesday, September 23, 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

Chris Velat, Director of Power Management

Dever Haffner-Ratliffe, Regulatory Affairs Coordinator

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

Steve Taylor, Director of Regulatory & Regional Affairs

Tim Kalimanis, Director of Technology

Trent Martin, Director of Accounting/CFO

PUBLIC

None

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 September 23, 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 September 9, 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 \$6,170,877.74. The Board reviewed expenditures of the District as required by RCW 42.24.180 for which payments were issued between September 11, 2025 and September 18, 2025, under the provisions of Resolution No. 2762.

It was moved by Commissioner Dalglish 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 disbursements and payroll included in this report have been reviewed and approved in accordance with RCW 42.24.180. Invoices have been authorized by management, verified against supporting documentation, and pre-audited by designated staff for accuracy, proper coding and compliance with the District's policies. Staff requests the Board approve the ratification of the vouchers and payroll as presented.

The motion carried 3 to 0.

7. GENERAL MANAGER REPORT

CAISO: General Manager Gary Huhta reported the California Independent System Operator (CAISO) Regionalization Bill passed the legislature and Governor Newsom recently signed it into law. The bill gives CAISO the ability to contract with a new entity to administer the market, and governance will be regional instead of California-centric. Many stakeholders wanted BPA to delay Markets+ for this reason. In the future, we will be dealing with two distinct markets.

NERC Study: The Federal Energy Regulatory Commission (FERC) directed the North American Electric Reliability Corporation (NERC) to study the need for new or revised rules to mitigate wildfire risk at the bulk power system level. This is a national effort to determine best practices in mitigating wildfire risk. We do not anticipate ramifications to the District as a result of the study.

Board Workshop: A workshop will be held with the Board the morning of October 14, 2025 to discuss long range planning for the operations campus. If time allows, we may have another one or two topics on the agenda.

8. ACTION ITEMS

8.1. Motion to Approve Staff Recommendation No. 21/9/23 – Revised Wholesale Energy and Credit Risk Management Policy.

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve Staff Recommendation No. 21/9/23.

Heather Sorensen explained that the Wholesale Energy and Credit Risk Management Policy was last updated and approved by the Board on September 24, 2024. As part of the 2025 annual review process, the Risk Management Advisory Committee conducted a comprehensive evaluation of the Policy and presented proposed modifications to the General Manager. Key changes include general

policy administration and clarification, expanded roles and responsibilities to address participation in developing regional capacity programs, and hedging program enhancements. The General Manager has approved the revised Policy and recommends formal adoption by the Board.

The motion carried 3 to 0.

8.2. Motion to Approve Resolution No. 2828 – Rate Adoption

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve Resolution No. 2828.

Trent Martin explained the Board adopted the 2026 budget at the September 9, 2025 Board meeting. As noted in the budget, the District is projecting a deficit driven largely by increasing net power costs mostly from the Bonneville Power Administration (BPA) rate increases and softening wholesale power market prices. In addition, inflation continues to impact other costs. The Board provided opportunity for public comment on the proposed rate action at the Special Meetings of the Board of Commissioners held on September 16, 2025. The District also presented the proposed rate action to the Electric Rate Advisory Committee (ERAC) on September 15, 2025. Given the projected deficit and continuing uncertainties, staff recommends 2025 rate action to cover a portion of the projected deficit, while also using reserves as needed to cover any remaining shortfall. The proposed rate action reflects an approximate 4% rate increase for Schedule 1 customers, and a 1.2% increase for Schedules 4, 5, 8, and 9 effective October 1, 2025.

The motion carried 3 to 0.

9. STAFF REPORTS AND PRESENTATIONS

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

10. EXECUTIVE SESSION

No Executive Session needed.

11. MOTION TO ADJOURN MEETING

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to adjourn the Regular Board Meeting at 3:05 p.m.

The motion carried 3 to 0.

Attest:

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David F. Quinn
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President

Signed by:
Bruce Pollock
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Secretary

DocuSigned by:
Duane Dalglish
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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