

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF BOARD MEETING OF COMMISSIONERS

Tuesday, February 24, 2026

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, Acting General Manager

Dever Haffner-Ratliffe, Regulatory Affairs Coordinator

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

Tim Kalimanis, Director of Technology

Trent Martin, Director of Accounting/CFO

PUBLIC

Brenda Crawford

Mike Crawford

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

Commissioner Quinn noted the addition of Action Item 8.3, Resolution No. 2835 waiving the District's option to purchase the White Creek Wind Project.

3. APPROVAL OF AGENDA

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to approve the February 24, 2026 Board Agenda as amended.

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 February 10, 2026 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 \$27,971,013.78. The Board reviewed expenditures of the District as required by RCW 42.24.180 for which payments were issued between February 12, 2026 and February 19, 2026, 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 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

Columbia Generating Station: Acting General Manager Chris Velat reported Energy Northwest brought the Columbia Generating Station back online last week after taking it offline due to an equipment issue. The Station is currently operating at 1,175 MW of output.

BPA 2022 Substation Event: One of the men arrested in connection with the 2022 Bonneville Power Administration (BPA) substation attack was recently sentenced to 18 months in federal prison.

PacifiCorp Sale: PacifiCorp entered into an agreement with Portland General Electric to sell its Chehalis thermal plant, Marengo wind facility, the Goodnoe Hills wind facility, and the associated distribution infrastructure. The transaction still needs approval from various states and could take up to a year to finalize. PacifiCorp will retain ownership of its hydroelectric facilities on the Lewis River.

WECC Price Cap: The Federal Energy Regulatory Commission (FERC) recently eliminated the Western Electricity Coordinating Council (WECC) soft price cap of \$1,000/MWh. They feel there are now proper safeguards in place and enough market oversight that it is no longer needed to ensure just and reasonable rates.

Board Workshop Topics: We will be adding 2026 public outreach events to the agenda for the March 10, 2026 Board Workshop. This is in addition to the previously scheduled topics: BPA Provider of Choice Contract High Water Mark and Tier 2 Election, New Large Single Load Policy update, and Facilities update. The workshop will now be held from 9:00 a.m. to 12:00 p.m. to allow sufficient time for discussion on these items.

8. ACTION ITEMS

8.1. Public Hearing for the Surplus of Property

The Commission has set the Regular meeting of February 24, 2026 at 2:00 p.m. at the Cowlitz PUD John Searing Auditorium and remotely via Microsoft Teams as the time and place to hold a Public Hearing to take public comment regarding the surplus of District property.

Commissioner Quinn opened the public hearing.

There was no public comment.

Commissioner Quinn closed the public hearing.

8.2. Motion to Approve Staff Recommendation No. 5/2/24 – Surplus of Property

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve Staff Recommendation No. 5/2/24.

Heather Sorensen explained that the Surplus Committee reviewed requests received from staff, which were included in the Board meeting materials, and recommends that the 230kV GSU high bushings, fleet vehicles, and fleet trailer detailed in the requests be declared surplus to the needs of the District and that they are disposed of in accordance with RCW 54.16.180.

The motion carried 3 to 0.

8.3. Motion to Approve Resolution No. 2835 – To Accept an Offer Received from White Creek Wind I, LLC for the District to Waive its Option to Purchase the White Creek Wind Project

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve Resolution No. 2835.

Chris Velat explained the District approved Resolution No. 2573 in December 2006 relating, in part, to the Asset Purchase Option Agreement for the White Creek Wind project. The Resolution granted energy purchasers the option to purchase the project at year 20. The project owner has expressed its intent to retain ownership of the project and is seeking certainty of ongoing ownership by requesting the Optionholders waive their purchase option. The project owner has presented a cash offer to the District in exchange for waiving our asset purchase option at the end of the Power Purchase Agreement. Discussions with the other Optionholders indicated there was no aligned interest in exercising the Asset Purchase Option and some were unwilling to fund 100% of the purchase obligation. District staff believe it is in the best interest of the District to accept the offer based on analyses of the Asset Purchase Option Agreement and an independent project valuation.

The motion carried 3 to 0.

Customer Mike Kayser provided comment in support of this Resolution.

9. STAFF REPORTS AND PRESENTATIONS

- 9.1.** Trent Martin provided an update of the District's major industrial delivery charges. The District has two major industrial rate classes, schedules 50 and 62, which are reviewed annually. In evaluating current rates, the District used allocation percentages from the recent Cost-of-Service (COSA) model update along with approved 2026 budgeted costs. Based on the evaluation, staff is proposing a preliminary delivery charge increase of 3% for Schedule 50 customers, and 21% for Schedule 62 customers. Staff will seek Board approval for the proposed increases at the March 10, 2026 Board meeting.

9.2. District staff provided highlights and answered Commissioner questions regarding the January 2026 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 3:52 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 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