



**COWLITZ PUD BOARD OF COMMISSIONERS
MEETING AGENDA
April 14, 2026, 2:00 p.m.
Cowlitz PUD Board Room & Microsoft Teams**

Board of Commissioners: Dave Quinn, Duane Dalglish, Bruce Pollock

The Cowlitz PUD Board of Commissioners meets on the 2nd and 4th Tuesday of every month, with the exception of holidays and other conflicts. Members of the public interested in participating via Microsoft Teams should contact Monica Petterson at mpetterson@cowlitzpud.org by 5:00 p.m. on Monday, April 13, 2026. To attend by phone, please call 1-323-484-8960 (Conference ID: 370 313 737#) at the time of the meeting. If you require reasonable accommodation while attending the Cowlitz PUD Board Meeting, please call Monica at (360) 501-9154 at least 72-hours prior to the meeting so that your needs can be addressed.

Please note that public comment is limited to three minutes per person.

1. Call to Order: 2:00 p.m.
2. Changes/Additions to Agenda
3. **Motion to Approve** Today's Board Agenda: Dave Quinn
4. **Motion to Approve** the PUD Board Meeting Minutes of March 24, 2026:
Dave Quinn
5. Public Comment on Agenda Items and Other District Business
6. **Motion to Ratify/Approve** Vouchers & Payroll: Heather Sorensen
7. New Employee Introduction
 - Tim Kalimanis to introduce Systems Analyst Alicia White

8. General Manager Report: Gary Huhta
9. Action Items
 - 9.1 **Motion to Approve** Staff Recommendation No. 8/4/14 – Award of Overhead Aluminum Conductor Supply: Trent Martin
 - 9.2 **Motion to Approve** Staff Recommendation No. 9/4/14 –Employee Handbook Update: Marisa Heard
10. Staff Reports and Presentations
 - 10.1 401k and Investment Update: Trent Martin
 - 10.2 2026 Legislative Session Recap: Steve Taylor and Diana Carlen
11. **Executive Session:** The Board will convene into Executive Session pursuant to RCW 42.30.110 (1)(i) for 30 minutes to discuss with legal counsel representing the agency potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.
12. **Motion to Adjourn** the Meeting

COWLITZ PUD EXECUTIVE SESSION PROCEDURE

The Board may meet in Executive Session for any reason authorized under the Open Public Meetings Act, RCW 42.30.110 (1), using the following procedure:

1. Announce the Executive Session

We will now adjourn into executive session pursuant to RCW 42.30.110 (1) for _____ minutes unless extended by the Presiding Officer. The purpose of the executive session is (choose one of the following):

- a. (i) To consider matters affecting national security;
(ii) To consider, if in compliance with any required data security breach disclosure under RCW [19.255.010](#) and [42.56.590](#), and with legal counsel available, information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities, and other information that if made public may increase the risk to the confidentiality, integrity, or availability of agency security or to information technology infrastructure or assets;
- b. To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;
- c. To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;
- d. To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;
- f. To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing, or a meeting open to the public shall be conducted upon such complaint or charge;
- g. To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW [42.30.140\(4\)](#), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;
- i. To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency

2. Return to Open Public Meeting

- a. Once the session concludes, the board will return to open meeting.
- b. If any action is taken it must take place in open meeting.
- c. Action may not take place earlier than the time for which the executive session was to conclude, including any extensions announced by the Presiding Officer.

Note: The foregoing is not a complete list of allowed purposes to hold an executive session under RCW 42.30.110 (1) but represents the most likely purposes for Cowlitz PUD.

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON**MINUTES OF BOARD MEETING OF COMMISSIONERS****Tuesday, March 24, 2026****Cowlitz PUD Board Room and Microsoft Teams**

Present:**COMMISSIONERS**

Dave Quinn, President

Duane Dalglish, Vice President

Bruce Pollock, Secretary

STAFF

Alice Dietz, Communication & Public Relations Manager

Chase Baierl, Transmission & Distribution Engineer

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

Michelle Marlowe, Senior Procurement Coordinator

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

Tracy Albright

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 Dalglish and seconded by Commissioner Pollock to approve the March 24, 2026 Board Agenda.

The motion carried 3 to 0.

4. APPROVAL OF BOARD MINUTES

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve the March 10, 2026 Regular Board Meeting minutes as written.

The motion carried 3 to 0.

5. PUBLIC COMMENT ON AGENDA ITEMS AND OTHER DISTRICT BUSINESS

Member of the public Tracy Albright inquired about the District's available resources for economic development.

6. MOTION TO RATIFY/APPROVE VOUCHERS/PAYROLL

Approval of Vouchers in the amount of \$7,358,919.21. The Board reviewed expenditures of the District as required by RCW 42.24.180 for which payments were issued between March 12, 2026 and March 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

Board Workshop: General Manager Gary Huhta reminded the Board of the Strategic Planning Workshop that will be held on Thursday from 10:00 a.m. – 2:30 p.m.

ERAC Membership: Membership in the Electric Rates Advisory Committee (ERAC) has declined in recent years, so we will soon begin the recruitment process for three new positions. Members of the public interested in serving on this Committee will complete an application process.

Water Supply: The Dalles January through July runoff is currently 103% of normal, an increase of 5% since our last meeting. Regional snowpack remains similar to what we have seen during this winter period, but the Cascades are dismal. Canada is very good right now with the Canadian Rockies at 140% of normal. Snowpack is poor in the Lewis River Basin similar to the Cascades, and California is at 29% of normal statewide.

PacifiCorp: PacifiCorp previously announced the sale of its wind, natural gas generation, and distribution assets and infrastructure in Washington State to Portland General Electric (PGE). PacifiCorp has now taken steps to sell its distribution assets in Oregon to Oregon Trail Electric Cooperative, Blachly-Lane Electric Cooperative, and Surprise Valley Electrification Corporation.

8. ACTION ITEMS

8.1. Motion to Approve Staff Recommendation No. 6/3/24 – Ductile Pole Bid Award

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to approve Staff Recommendation No. 6/3/24.

Trent Martin reported the District solicited bids through the advertised bid process for the supply of ductile iron poles required for an upcoming large project. An advertised bid solicitation was published and distributed to five vendors from the District's qualified vendors list. Of the three bids received,

General Pacific submitted the lowest bid. Based on pricing, past performance, and delivery timelines, staff recommends the Ductile Iron Supply contract be awarded to General Pacific.

The motion carried 3 to 0.

8.2. Motion to Approve Staff Recommendation No. 7/3/24 – Business Operation Policies

It was moved by Commissioner Dalglish and seconded by Commissioner Pollock to approve Staff Recommendation No. 7/3/24.

Monica Petterson explained the Business Operation Policies were last approved by the Board on March 11, 2025. The Policies have been reviewed and updated by staff and the District’s General Counsel as part of the annual review and update cycle. Most policies required only minor revisions. However, the Procurement and Purchasing Policy, Surplus Policy, and Travel and Other Expenses Reimbursement Policy were updated to improve clarity, ensure compliance requirements, and reorganize language.

The motion carried 3 to 0.

9. STAFF REPORTS AND PRESENTATIONS

- 9.1. Marisa Heard reviewed updates to the Employee Handbook and noted the policy will be presented for approval at the April 14, 2026 Board meeting.
- 9.2. District staff provided highlights and answered Commissioner questions regarding the February 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 3:28 p.m.

The motion carried 3 to 0.

Attest:

President

Secretary

Vice President

Prepared by Monica Petterson
Executive Assistant/Clerk of the Board

Staff Recommendation No. 8/4/14

Date: April 14, 2026

To: Board of Commissioners

From: Trent Martin
Doug Thomas
Tami Ingalls

Subject: Evaluation and Recommendation - Advertised Bid – Aluminum Overhead Conductor - Contract UC1846

As part of the District's capital plan, Phase I of the BPA Lexington to Olympic Pipe Substation Reconductor Project will be completed this summer. Engineering staff has determined the following conductor will be needed for this project:

198,720 Feet of 652.400 AAAC Overhead Aluminum Conductor (Elgin)
130,720 Feet of 1272 AAC Overhead Aluminum Conductor (Narcissus)

An advertised bid solicitation was published on February 24, 2026. In addition, the solicitation was sent to five suppliers from our qualified vendors list. On March 11, 2026, sealed bids were publicly opened from five suppliers.

Total bid price information, excluding sales tax:

Supplier	Manufacture	Total Price	Delivery (First Delivery)	Firm/Non Firm Pricing
Elite Textile Trading	Henan NPC Electric	\$694,947.20	50-65 Days	Non-Firm
MVA Power, Inc.	MVA Power	\$1,160,600.00	8-10 Weeks	Non-Firm
General Pacific	CME Wire & Cable	\$1,193,022.40	652: 20-24 Weeks 1272: 15-19 Weeks	Non-Firm
Border States	Southwire	\$1,295,629.60	652: 24-26 Weeks 1272: 30-32 Weeks	Non-Firm
Anixter-Wesco	Southwire	\$1,316,268.80	652: 22-24 Weeks 1272: 28-30 Weeks	Non-Firm
General Pacific	Nehring	\$1,358,012.80	25-29 Weeks	Non-Firm
Border States	Nehring	\$1,395,437.60	26-28 Weeks	Non-Firm
Border States	Southwire	\$1,503,068.64	652: 24-26 Weeks 1272: 30-32 Weeks	Firm
Border States	Nehring	\$1,605,398.56	26-28 Weeks	Firm

The Engineer's Estimate for this order is \$1,308,893.00. This was based on a previous, informal price and lead time inquiry that was used to determine timing and the required bid procedure for this purchase.

Through staff evaluation, it was determined that neither the first or second lowest bids, received from Elite Textile Trading and MVA Power, Inc. meet the District's product specifications or delivery requirements, and therefore were rejected. The third lowest bidder, General Pacific, meets the product specifications, delivery requirements, and has demonstrated the ability to deliver as promised through past experience. We recommend that Aluminum Overhead Conductor Supply Contract UC1846 be awarded to General

Pacific for the total cost of \$1,193,022.40, excluding sales tax and tariffs which are unknown at this time.

Doug Thomas
Transmission and Distribution Manager

Tami Ingalls
Purchasing Manager

I concur with this recommendation.

Trent Martin
Director of Accounting/CFO

Summary of 2026 Employee Handbook Updates:

Introduction –

Updated the content within the opening page to add language about updates to the Handbook and where employees can find the handbook on the intranet. We also updated the history section to update our Harvest Wind ownership.

Policy 102 – Business Ethics and Conduct

Rick clarified the language to make it easier to understand

Policy 103 – Employment of Relative and Personal Relationships in the Workplace

Employment for Relatives:

Modified the language to be more clearly defined. Modified relative section for cousin to be first cousin.

Added a sentence that nothing in the handbook shall be construed to limit the District's discretion in hiring, transfer, promotion, termination or any other employment decision.

Policy 105 – Residency/Response time Requirement

Clarified the language to be more clearly defined. No changes to the current criteria.

Policy 106 – Conflicts of Interest

Modified the current contact from General Manager to Human Resources.

Policy 108 – Disability Accommodation

Modified the limiting language of Americans with Disabilities Act to all State and Federal laws that ensure equal opportunity employment for qualified persons with disabilities.

Added language regarding reasonable accommodation for conditional job offers.

Policy 201 – Employment Categories

Removed Initial Review Period Employee. This was intended for staff employee's and we do not have a probationary period for staff employees.

Policy 301 – Employee Benefits

Added the District Wellness Program as an employee benefit.

Clarified language on 401k to gross wages as being eligible gross wages and for those staff employees that are eligible for the benefit.

Policy 302 – Personal Time Off/EIR/HRA-VEBA – Staff Employees

Added language to our PTO accrual that if an employee is short of their 92 hours worked for their PTO accrual, the District must give them PTO in the amount of one hour for every 40 hours worked to comply with the Washington State Paid Sick Leave Program.

304 – Banked Personal Time Off (PTO)

We removed this policy from the handbook. The District removed Banked Personal Leave in October 2016 and all employees who had a Banked Personal Leave account have retired from the District.

305 – Short Term and Long Term Disability – Staff Employees

Modified the qualifying hours for short term disability to match the new Washington State requirements that were effective January 1, 2026.

Modified the language regarding job and health benefit protection to match the new Washington State requirements that were effective January 1, 2026.

Modified the long-term disability wage benefit, was previously 60% of the straight-time wages up to \$8,000 per month and now the benefit is 60% of the straight-time wages up to \$10,000 per month.

Policy 310 – Logo Wear

Modified the amount that the District will reimburse per item from \$60 up to \$75.

Modified the number of items the District will reimburse from four items to six items annually.

Policy 502 – Work Schedules

Added language to rest and break periods clarifying when the breaks should be taken and if breaks are interrupted, breaks can be taken in multiple to add up to fifteen minutes.

Added language around lunch breaks for non-exempt employees.

Added language around voluntary meal waivers.

Policy 505 – Smoking-Free Workplace

Added language that prohibits smoking at District sponsored functions and customer locations.

Policy 506 – Overtime

Added clarifying language regarding excessive work hours for exempt employees and that when the employee is granted time off during regular work hours in recognition of the situation that the Department Director and General Manager be aware of work performed.

Policy 513 – Political Activity

Added language clarifying that any political activities must be done on the employee's own time and without use of District resources.

Added language to clarify that that the District is not limiting activities protected by the Public Employees Collective Bargaining Act.

Policy 601 - Family and Medical Leave (FMLA); Human Rights Pregnancy Disability Leave Requirement; Washington Paid Family and Medical Leave

Added language clarifying the repeal of the Washington Family Leave Act due to the adoption of the Paid Family and Medical Leave Act.

Added language regarding providing workplace pregnancy accommodations under RCW 43.10.005 and the Fair Labor Standards Act.

Policy 701 – Standards of Conduct and Discipline

Removed the section regarding represented employees as the Union Contract does not have any mention of discipline, therefore it falls to the employee handbook procedures.

Policy 706 – Separation from Employment

Added language that states we prefer written notice of separation from employment.

Policy 707 – Pre-Employment Drug Screening

Moved four positions to the non-DOT, safety sensitive position list from the DOT list as these positions do not require a CDL:

- Transformer Maintenceman Helper
- Transformer Maintenceman
- Assistant Transformer Maintenance Spill Response Helper
- Transformer Maintenance Spill Response Coordinator

Added a staff position to the non-DOT, safety sensitive position list:

- Environmental & Power Resource Analyst

Appendix A – Benefits

Added the Annual 50 hour accrual to the benefit chart under the applicable employee categories.



2026 LEGISLATIVE SESSION RECAP

Steve Taylor and Diana Carlen

SESSION BY THE NUMBERS

- Washington State operates on a two-year legislative cycle, known as a biennium. The first year is a long session, and the second year is a short session, lasting 60 days.
 - 2026 Legislative session was a “short session”. Focus was on passing supplemental operating, capital and transportation budgets.
- Legislative session began on January 12 and adjourned on-time on March 12.
- The House and the Senate introduced 1,205 bills during 2026 session. Ultimately, 267 bills passed the legislature and were sent to the Governor for signature.

POLITICAL LANDSCAPE

- Nine legislative seats were up for election in 2025 as it was an off-election year.
 - 9 Democratic state lawmakers kept their seats
- Democrats held 60% majorities in both chambers and Democrat caucuses leaned more to the left
 - Senate: Democrats control 30-19
 - House: Democrats control 59-39
- Budget issues consumed most of the oxygen; energy and climate policies were secondary

OPERATING BUDGET

Operating Budget Highlights – adopted a \$80.2 billion operating supplemental budget

- The budget included notable fund transfers:
 - \$750 million transfer from the state’s Budget Stabilization Account (the Rainy Day Fund)
 - \$375 million from the Public Workers Assistance Account.
 - \$ 4 billion from police and firefighter pensions.
- The supplemental budget relied in part on the following revenue:
 - Millionaires Tax (ESSB 6346)
 - Repeal of B&O Tax Exemption for Data Center Equipment (SB 6231)
 - Repeal of B&O Tax Exemption for Prescription Drugs (SB 6228) and
 - Changing the insurance premiums tax exemption so the exemption only applies to the insurer paying the premium tax (HB 2487).

OPERATING BUDGET HIGHLIGHTS

- **Low-income home energy assistance:** \$30 million in additional assistance is provided to Commerce to administer grant funding for energy utility bill assistance.
- **Wildfire:** \$60 million transfer from CCA to the wildfire account to fight wildfires.
- **Data Centers:** \$50,000 for Ecology to develop a report on quantifying water and energy use for data centers.
- **Snake River Dams:** \$350,000 to DFW to complete identification of offsets and opportunities for recreation with potential draw down of reservoirs, and \$300,000 to Commerce to complete analysis for new electricity generation, transmission, storage etc. to offset the Snake River Dams.
- **Permit Review Processes:** \$500,000 to Commerce for grants to local governments to update their permit review processes.

CAPITAL AND TRANSPORTATION BUDGETS

2025-2027 Capital Supplemental Budget - \$4.5 billion bi-partisan capital budget passed unanimously out of legislature. Highlights include:

- \$136 million for water conservation, climate resilience, and clean energy
- \$5 million for the Lower Columbia River Dredging Project (an additional \$10 million is in transportation budget for total of \$15 million)
- No funding provided for Ryderwood project

2025-2027 Transportation Budget – \$16.6 billion budget, includes \$800 million in new bonding.

- Legislature also passed ESHB 2711 which made changes to the fuel tax.
 - Delays the second \$0.03 per gallon diesel tax increase from July 1, 2027 to July 1, 2029.
 - The start date of the 2 percent inflation adjustment factor is also delayed until July 1, 2030.

ENERGY/UTILITY PRIORITY BILLS

HB 1903 - Low-Income Energy Assistance (partial veto).

- Establishes a new statewide program to provide additional energy assistance to low-income households – supplements utility CETA assistance
- Participation in a statewide program is voluntary and utilities that participate do not have to backfill state program funding should the state decide not to fund the program.
- Program was not funded in the budget but sets up the program when the legislature decides to fund it. However, budget did include \$30 million for an existing energy assistance program.
- The Governor specifically vetoed Sec. 4 which directed the Department of Commerce to establish an advisory group to inform the energy assistance program because the advisory group is not needed until the program is funded by the legislature.

ENERGY/UTILITY PRIORITY BILLS CONTINUED

SB 6355 – Washington Electric Transmission Authority

- Establishes the Washington Electric Transmission Authority, which will be run by a 10-person board of directors
- Duties include supporting the expansion of and upgrades to the electric transmission system as a state-wide resource for transmission.
- Establishes a tribal clean energy partnership work group to identify and evaluate opportunities for tribal participation in clean energy facilities and infrastructure.
- Establishes \$5000 fee for petitions for the transmission authority to support a transmission project.

ENERGY/UTILITY PRIORITY BILLS CONTINUED

SB 6076 – Utility Procurement (WPUDA request bill)

- Streamlines COU procurement requirements for certain energy projects
- Increases to \$500K the max dollar value of project work without a contract.
- Increases \$1M the regular “accepted industry practice” work utility workers can perform without a contract.
- Expands the use of pre-approved vendor lists to acquire materials/equipment.
- Exempts the competitive bidding, purchases of energy storage or transmission facilities for reliability purposes to Jan 1, 2045.

ENERGY/UTILITY PRIORITY BILLS CONTINUED

HB 2575 – Energy and Utility Reporting Changes

- Reduces the frequency of Energy Independence Act (EIA) reporting for electric utilities by shifting renewable portfolio standard compliance reporting from annual to biennial.
- Eliminates an annual report for electric and water utilities on utility disconnections on days where a heat-related alert is issued.
- Reduces Commerce reporting requirements by decreasing the number of interim State Energy Strategy implementation reports to once a cycle and by eliminating a biennial energy report.

OTHER BILLS OF INTEREST

- **SB 5982 – Port Districts Under CETA**

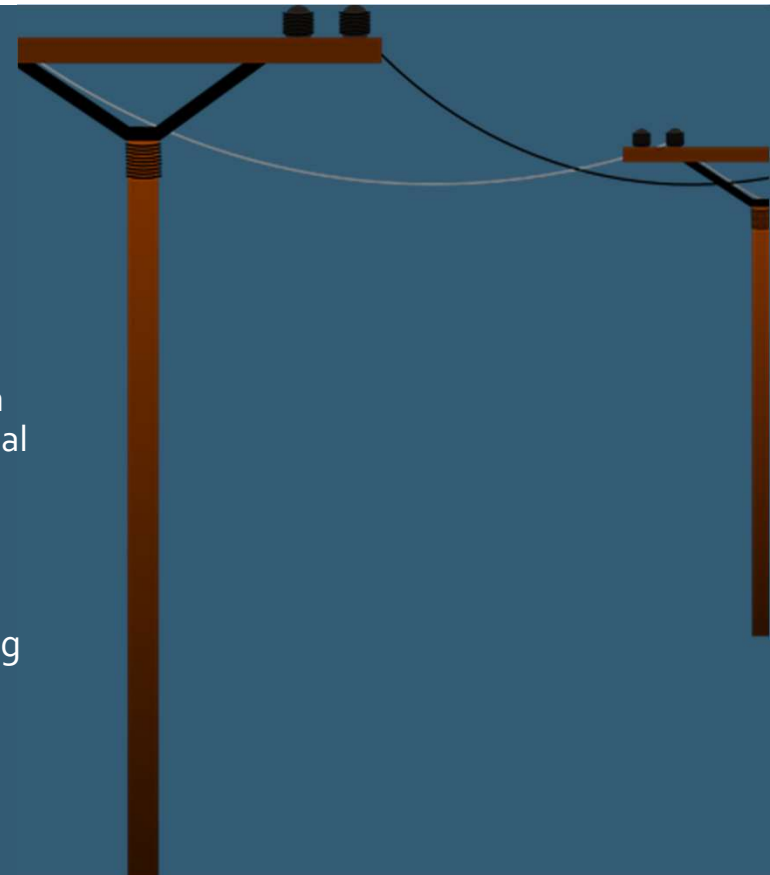
- Adds public port districts to the definition of consumer-owned utilities under CETA if they generate and sell electricity to at least one customer.

- **HB 1960 – Renewable Energy Incentives**

- Modifies Washington's tax structure for renewable energy generating facilities and battery storage systems by allowing personal property exemptions beginning January 1, 2028, repeals the current personal property tax exemption and production excise tax applying to solar and wind facilities, and creates a local investment distribution program.

- **HB 2367 – Coal Plant Regulation**

- Removes the CCA exemption for the TransAlta Centralia Coal plant, bringing its emissions under the CCA.



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OTHER BILLS OF INTEREST

- **2SSB 5690 – Fish Barrier Coordination**
 - Requires WSDOT to adopt procedures to provide utility owners with one year advance notice about planned state fish barrier removal projects to request available funding for utility relocations.
- **HB 2296 – Expanding use of distributed energy resources**
 - Allows electrical and natural gas companies to invest in and earn a return on energy conservation and efficiency programs for certain prioritized rental housing, and to recover such energy investments through customers' bills.
- **HB 2420 – Small Works Roster**
 - Gradually increases the maximum value of public works projects for which state agencies and local governments may use small works roster processes, from the current \$350,000 to an eventual \$650,000 by July 1, 2030.

EMPLOYMENT/LABOR LEGISLATION

- **HB 2105 – Immigrant Workers Projection Act**
 - Requires an employer to notify its workers within 5 days of receiving a Notice of Inspection of Employment Eligibility Verification Forms I-9.
 - Requires an employer to notify affected workers within 5 days of receiving the results of any inspection of Forms I-9.
- **SB 5292 – Paid Family and Medical Leave Premium Rate Adjustment**
 - revises the methodology for setting Paid Family and Medical Leave premium rates so that, effective January 1, 2028, the total premium rate is set annually based on actuarial analysis tied to a four-month reserve target, without changing the existing 1.20 percent cap on the total premium rate.

TAX LEGISLATION

SB 6113 – Tax Code Modernization and Cleanup – (partial veto)

- Codifies Department of Revenue guidance related to the implementation of ESSB 5814 (2025), including provisions related to the application of sales tax to certain services and digital products.
- Also makes other definition updates for B&O and sales and use taxes related to payment card processing income, motor vehicles and peer-to-peer car sharing and certain property tax classifications.

SB 6231 - Repeal of B&O Tax Exemption for Data Center Equipment

- Removes sales tax exemption to qualifying data centers for refurbishment. Also provides that replacement server equipment no longer qualifies as eligible server equipment for sales tax exemptions.

HB 2442 – Local Tax and Levy Authority

- Allows cities and counties to expand the uses of existing local real estate tax, authorizes local sales and use taxes for children and family services, and expands the use of local tax revenues for affordable housing, behavioral health facilities and more. Notably, the final bill does not include a 3% county utility tax authority that was in earlier versions of the bill.

NOTABLE ISSUES THAT DID NOT PASS

- SB 5360: Environmental Crimes
- HB 2275: Wildfire Fund
- HB 2100: Large Employer Payroll Tax
- HB 2611: Thirty-Two Hour Work Week
- HB 2515: Data Center Energy Regulation
- HB 2509: Energy Facility Siting Streamlining
- SB 6008: Battery Incentive Grants



NOTABLE ISSUES THAT DID NOT PASS

- SB 6056: Utility Service Vehicle Exemption
- HB 2716: Low-Income Utility tax Incentive
- HB 2690: Low-income Electric Assistance Obligations
- HB 2373: Low-Income Energy Assistance
- HB 1610: Energy Infrastructure Exemptions
- HB 2581: Clean Energy Compliance Investments
- HB 2519: Discounted Utility Rates for Public Schools
- HB 2413: Clean and Reliable Energy Flexibility

