



Regular Board Meeting Minutes
December 17th, 2024
of the
LEWIS PUBLIC TRANSPORTATION BENEFIT AREA
(LPTBA dba LEWIS COUNTY TRANSIT)

Held at the Lewis County Transit board room at 212 E Locust St, Centralia and with the ability to join via Microsoft Teams.

Chair Mark Westley called the meeting to order at 2 p.m.

Directors Present: Mark Westley, City of Centralia
Scott Brummer, Lewis County

Staff Present: Joseph Clark, Executive Director
Rebecca Towner, Director of Finance and Human Relations
Makenzie Wilson, HR Manager

A. Discussion Only Items

1. Call to the Public – *Public discussion on any item not listed on the agenda.*
2. Board Member Reports
3. Staff Reports
 - a. Financing Update (Rebecca)
 - i. Holman Capital Update
 1. Loan for Construction Phase: Efforts to collaborate with the County Treasurer's Office to secure a loan for the construction phase were unsuccessful. However, Miss Towner and Mr. Clark identified an alternative financing firm.
 2. Meeting with Holman Capital: Lewis County Transit met with representatives from Holman Capital, who proposed a loan arrangement of up to \$5 million. The funds would be drawn in increments of \$250,000, and no interest would accrue on the loan. Repayment would occur as grant funds are received. This streamlined process could allow for approval at the next board meeting in January.
 3. Loan Structure Discussion: Holman Capital discussed both variable and fixed-rate loan options. To avoid excessive interest and increase flexibility, we opted for a fixed-rate loan. The fixed interest rate is 6.5%, with an increase to 7.25% when repayment begins. The loan term would commence in the first quarter of 2024 and extend through the end of 2026. By the

end of the term, the loan is expected to be fully repaid through grant funding. There may be an opportunity for some relief on the interest rate when the documents are finalized.

- ii. Mr. Brummer inquired about the interest rates and whether they are variable. Mr. Clark clarified that the rate is fixed at 6.5% initially, increasing to 7.25% during repayment.
- iii. Mr. Westley asked if an action is required from the board at this time. Mr. Clark responded that approval will be addressed at the January board meeting.

B. Action Items

1. Discussion & Request for Approval of PNWHA subrecipient agreement and cost share commitment letter – Phase 1 of the US DOE Hydrogen Hub only.
 - a. Mr. Clark provided an explanation of the action item as outlined below:

Phase 1 Funding:

- No funding will be requested during Phase 1. The Holman loan will cover the necessary cash flow, allowing other transit agencies to request funds during this period. We anticipate requesting funds around September 2025.
- This agreement is primarily a formality rather than a binding commitment.

Flexibility in Agreement:

- A six-month "off-ramp" provision has been included, allowing us to exit the agreement without incurring fees or cost-sharing obligations. This flexibility ensures that, if grant funding is not secured, we can step away while still proceeding with the construction of our facility.

Project Timeline:

- The NEPA (National Environmental Policy Act) process has commenced and is expected to conclude by 2026. Currently, we remain in Phase 1, focused on planning and design.

Funding Adjustment:

- A highlighted figure will be updated to reflect \$1.5 million. This revision results from Fortescue's departure from the hydrogen hub, increasing the funds accessible to us without altering the overall \$16 million cap.

Vice Chair Brummer motions and Chairperson Westly second with the changes to the dollar figure 2-0

Adjournment

APPROVAL

LEWIS PUBLIC TRANSPORTATION
BENEFIT AREA AUTHORITY

Mark Westley, Chairperson

Scott Brummer, Vice Chairperson

Tony Ketchum, Secretary

Respectfully prepared by:

Makenzie Wilson