



Regular Board Meeting Minutes November 25th, 2025

of the
LEWIS PUBLIC TRANSPORTATION BENEFIT AREA
(LPTBA dba LEWIS COUNTY TRANSIT)

Held at the Port of Chehalis Board Room located at 321 Maurin Rd. in Chehalis.

Chair Mark Westley called the meeting to order at 3:35 p.m.

Directors Present: Mark Westley, City of Centralia
Scott Brummer, Lewis County
Tony Ketchum, City of Chehalis
Debbie Lytle, Lewis County Transit, on behalf of the represented staff

Staff Present: Josh Nylander, Executive Director
Rebecca Towner, Director of Finance and Human Relations
Tim Palmateer, Fleet & Facilities Director
Makenzie Wilson, HR Manager
Allen Unzelman, Lewis County Transit Attorney
Megan Wirtz CWCOG Remotely
Joe Clark, Advisor to the Board, Remotely

A. Approval of the Meeting Agenda as Presented

Vice Chair Mr. Brummer moved, Secretary Mr. Ketchum seconded, motion passed 3-0

B. Discussion Only Items

- a. Construction Update
 - i. **POC H2 Project:** All slabs have been poured and the site has been backfilled. The next phase involves significant overhead work, which will begin after the holiday.
 - ii. **Mineral:** The project layout is complete, with a small adjustment made to the stop location. A change order is being approved because the PUD

prefers to use their pole transformer instead of a box transformer. This required shifting the location slightly and increased trenching costs. Mr. Clark will be on-site Tuesday, and will update the Board if anything comes up. The project is on track to be completed by the first of the year.

- iii. **Exit 77:** We are still waiting for city approval. We are completing a minor review related to civil work, including retention ponds and drainage. Once the permit is issued, we'll move forward with the RFP. After selection, we'll finalize the project mobilization plan. The goal is to begin work around the first of April.

b. Operations

- i. **Scammon Creek:** A new stop has been added at the Scammon Creek Apartments, and no issues have been reported. The original double-shelter stop remains in place.
- ii. Mr. Ketchum asked about the location of the new stop, and Mr. Zurfluh noted that it is near Cooks Hill Road by the hospital.
- iii. Mr. Westley asked about ridership levels. Mr. Zurfluh reported that the stop averages fewer than 70 riders per month, and both stops are being used.

c. Finance

- i. The latest budget vs. actual report is in the packet. We are under budget overall by 1%.
 - 1. With REVIT expenses: 0.74% under
 - 2. Without REVIT: about 3% under
 - 3. Target at this point in the year: 83.3%
 - 4. Five categories are currently over budget, but overall performance is still strong.
 - 5. Potential use of \$50,000 fleet reserve from capital if needed
 - 6. Under budget categories like other fleet services, electrical charging, office supplies, hardware/furniture, and training can offset overages
 - 7. Overall outlook is still positive, and we expect to finish the year in a stable position.
- ii. Mr. Ketchum asked whether fuel costs were higher due to increased DARTT usage. Miss Towner confirmed this, noting the Brown East route is also contributing. Mr. Palmateer added that the fuel budget was increased this year to help prevent future overages.
- iii. Miss Towner noted that the budget includes purchases of hydrogen fuel for additional bus testing. She also pointed out consulting fees and other services that are over budget, including hydrogen fueling rentals and the unplanned Morton office lease. Several categories, such as office supplies, are under budget and can be adjusted to cover these costs. Mr. Ketchum asked whether the hydrogen consultant will continue into next year. Miss Towner explained that the contract was planned through the end of this year, and next year it would be used on an as-needed basis. She added that construction will carry into 2026, and the consultant will help support Mr.

Palmateer and Mr. Nylander during that period. Mr. Ketchum noted he wanted to avoid paying for a contract that isn't fully used. Mr. Nylander said the 2026 contract would likely shift to a month-to-month arrangement.

d. Executive Director Report

- i. General Update- We're continuing to recruit and interview for new operators and should have an update to share at the December meeting. Fixed-route ridership for October was 23,414, which is a 15% increase over last year and a noticeable jump from September. October is usually our busiest month, but this fits into the steady growth we've seen throughout the year. Mr. Palmateer also received the first two of the three New Flyer 40-foot hydrogen buses that have been on order, with the third expected early next month. Once it arrives, we'll have six hydrogen buses in the fleet. Along with our two electric 35-foot Gilligs, and with two older Gilligs scheduled for retirement next year, we'll have eight of our thirteen fixed-route buses operating with zero emissions.
- ii. Mr. Nylander shared that the line of credit was signed today. He thanked everyone for their hard work into getting this completed.
- iii. The December meeting is set for Tuesday, the 16th.
- iv. LCT is closed on Thursday (Thanksgiving) with limited availability on Friday.
- v. Mr. Ketchum asked about the Trick-or-Treat Transit event, and Mr. Zurfluh reported that it had a great turnout despite the poor weather.

C. Review of Claims

- a. Review financial warrants #32999 - #33082, including Capital and Operating expenditures for October 1-31, 2025.

i. Capital Warrants	\$	9,694.25
ii. Capital ACH	\$	87,325.55
iii. Operating Warrants	\$	423,853.59
iv. Operating ACH	\$	194,554.32
v. <u>Payroll ACH</u>	<u>\$</u>	<u>198,222.32</u>
Total	\$	913,650.03

D. Action Items

E. Approval of Board Minutes

Action

- a. Adoption of minutes from October 28, 2025 Regular Board Meeting.

Vice Chair Mr. Brummer moved, Secretary Mr. Ketchum seconded, motion passed 3-0

- F. Purchase of Hydrogen 1MW Electrolyzer- Mr. Clark reported that the agency is negotiating with Plug to replace the Ohmium electrolyzer after Ohmium failed to meet the maintenance and service requirements in its contract. Plug, which had originally bid on the 2022 RFP, is able to supply an electrolyzer already staged in Texas, making the purchase less expensive and avoiding tariffs associated with the Ohmium unit. With board approval, it can ship within three weeks. Only minor construction adjustments were needed to accommodate the Plug unit, such as increasing pad thickness and rebar dimensions. Over the next several weeks, the agency will receive the remaining components of the hydrogen system, including the fleet pilot equipment, storage tubes from Viva, and the electrolyzer itself, which is expected to arrive before Christmas. Once everything is set in place, crews will begin connecting water, electricity, and high-pressure piping. Commissioning is planned for mid to late January, with full operations expected around the beginning of March, though buses will be fueled during the commissioning process as part of testing. The electrolyzer itself costs \$1.25 million, but the board's approval request is for \$1.5 million to cover additional expenses, including a \$175,000 initial setup and training/commissioning costs, as well as shipping, which does not yet have a finalized price

Vice Chair Mr. Brummer moved, Secretary Mr. Ketchum seconded, motion passed 3-0

- G. Approval of Lewis County Public Utility District Agreement- Mr. Clark reported that all details have been finalized and the agency is securing bonds. Originally, the PUD requested a \$200,000 cash deposit, but the agency opted to use a bond instead. The insurance company has agreed to issue the bond, which will be held with the PUD. Josh noted that, based on current rates, the agency will spend approximately \$50,000 per month and that the contract will automatically renew. Scott asked if the deposit requirement was unexpected, and Mr. Nylander explained that the PUD is standardizing their contracts. Mr. Unzelman added that the bond will cost about \$5,000 per year, significantly less than the original cash deposit.

Vice Chair Mr. Brummer moved, Secretary Mr. Ketchum seconded, motion passed 3-0

- H. Approval of Resolution 2025-04 Adopting 2026 Budgets- Several updates have been made since last month's budget presentation. Insurance premiums have now been finalized and included, and additional flexibility was added for hydrogen fueling equipment due to uncertainty about its placement. Last year, a marketing/community relations position was not backfilled, so the professional services budget was increased slightly to support marketing efforts. Key highlights for the operating budget include a projected 2% sales tax growth, which is considered conservative, and recognition that some services, such as security contracts, are now subject to sales tax. Insurance costs increased, and two new positions are being added: a full-time mechanic apprentice and an FTE for the hydrogen program.
- a. For the hydrogen capital budget, construction for the 1 MW electrolyzer project will extend into 2026, with an estimated \$750,000 for the project and approximately \$200,000 for frontage improvements required by the City of Chehalis. Milestone payments for the electrolyzer and tube trailer are also included, with most payments scheduled for 2026, though delivery may occur sooner. Grant funding and federal investment tax credits are expected to offset a significant portion of expenditures, with a conservative estimate of 50% credit on the compressor and dispensing equipment. Depending on eligibility, construction costs of just over \$3 million could increase the tax credit benefit, but the budget assumes a conservative figure.

- b. A line of credit has been established at 6.82% interest, with upfront costs of \$80,000 and legal fees of \$25,000, and projected interest of approximately \$75,000 for the year. The hydrogen capital budget starts with a balance of \$200,000 and is expected to end the year with just under \$10,000, which may be moved to the operating budget, as no further capital expenses are anticipated until additional grant funding is received for expansion.
- I. Mr. Westley noted that Lewis County Transit mentioned a station manager; is that person on the payroll already? Mr. Nylander responded that they start January 1st. He noted that, in the short term, an operator has been assigned additional responsibilities and is being compensated for this extra work. Miss Towner explained that these costs are incorporated into the budget as part of the accounting for the station's operations, and the associated tax credit will be modeled accordingly. Mr. Westley asked whether there would be a one-year lag in the budget for future years, and Miss Towner confirmed that there would be.

Vice Chair Mr. Brummer moved, Secretary Mr. Ketchum seconded, motion passed 3-0

- J. Approval of first reading of POL 405, 220, and 221.

Secretary Mr. Ketchum moved, Vice Chair Mr. Brummer seconded, motion passed 3-0

Adjournment

The Board recessed the regular meeting at 4:22 p.m.

The next regular meeting is on December 16th, 2025, at 3:30 p.m.

APPROVAL

LEWIS PUBLIC TRANSPORTATION BENEFIT
AREA AUTHORITY

Mark Westley, Chairperson

Scott Brummer, Vice Chairperson

Tony Ketchum, Secretary

Respectfully prepared by:

Makenzie Wilson