The Cowlitz PUD Board of Commissioners meets on the 2nd and 4th Tuesday of every month in the John Searing Auditorium located at the PUD's main office which is located at 961, 12 Avenue, Longview, WA 98632. Unless otherwise posted, the meetings start at 2 p.m. If you have any questions regarding the status or content of these meetings, or, if you require a reasonable accommodation while in attendance at the Cowlitz PUD Board Meeting, please call Barbara Taylor (360-501-9575) at least 72-hours prior to the meeting so that your needs can be addressed.

COWLITZ PUD BOARD OF COMMISSIONERS MEETING AGENDA
March 12, 2019

1. Call to Order: 2:00 p.m.

2. Approval of Agenda: March 12, 2019 (Tab 1)

3. Approval of Regular Board Meeting Minutes: February 26, 2019 (Tab 2)

4. Ratification/Approval of Vouchers/Payroll: Heather Sorensen

5. New Employee Introductions
   5.1 Heather Sorensen to Introduce New Customer Service Representatives: Kaylee Peterson & Amanda Potter

6. Public Comment on Non-Agenda Items

7. General Manager Report: Steve Kern
   7.1 Community Events/Legislative Calendar (Tab 3)
   7.2 Legislative Update: Diana Carlen
   7.3 Organization Representation

8. Action Items & Comments from the Public
   8.1 General Manager Recruitment Discussion: Commissioners

9. Staff Reports and Presentations
   9.1 BPA Update: Deanna Carlson (Tab 4)

10. Commissioner Repcrts & Upcoming Events

11. Final Comments: From the Public, General Manager, Commissioners

12. Confirmation of Next Meeting: Tuesday, March 26, 2019 – 2:00 p.m. in PUD Auditorium

   Executive Session (If Needed): The Presiding Officer will follow the Executive Session procedure included with this agenda

13. Adjourn Meeting

Tentative Board Meeting Agenda Items for March 26, 2019

- General Manager Recruitment Discussion: Commissioners
- February Operation Results
- Lewis River Substation Rebuild
- Risk Management Report
- Customer Service Policies Approval
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. To consider matters affecting national security;
b. 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;
c. 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;
d. 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;
e. 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;
h. 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
February 26, 2019
John Searing Auditorium

Present:

COMMISSIONERS:
Dave Quinn, President
Duane Daigleish, Secretary

STAFF:
Deanna Carlson, Energy Policy Analyst
Shawn Grisham, Landscaper
Sasha Hinners, Benefits Specialist
Rick Hughes, General Counsel
Gary Huhta, Director of Power Management, Assistant General Manager
Tim Johnston, Manager System Engineering
Casey Kalal, Director of Operations
Marisa Keeney, Manager of Employee Services
Steve Kern, General Manager
Trent Martin, Director of Accounting & Finance
Stacie Pederson, Contract Specialist
Heather Sorensen, Director of Customer Service and Compliance
Barbara Taylor, Executive Assistant/Clerk of the Board
Tyler Williams, Engineer II

GUESTS:
Diana Carlen, Gordon Thomas Honeywell, via speaker phone
Scott Wilson, BPA Power Account Executive
Melanie Jackson, BPA Transmission Account Executive

MEDIA:
Tyler Munson, KLTV

PUBLIC:
Diane Dick

1. CALL TO ORDER

Pursuant to published Notice, Commissioner Dave 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. APPROVAL OF AGENDA

MOTION: It was MOVED by COMMISSIONER DALGLEISH and SECONDED by COMMISSIONER QUINN to approve the February 26, 2019 agenda.

Steve Kern noted that he has invited Scott Wilson and Melanie Jackson of the Bonneville Power Administration (BPA) to discuss an item during his General Manager report.
Commissioner Diamond-Ott is currently attending the 2019 APPA Legislative Rally in Washington DC and was previously excused from today’s meeting during the January 8, 2019 Board Meeting.

The MOTION CARRIED on a 2 to 0 margin.

3. APPROVAL OF BOARD MINUTES

MOTION: It was MOVED by COMMISSIONER DALGLEISH and SECONDED by COMMISSIONER QUINN to approve the minutes from the Regular Board Meeting of January 22, 2019, the Executive Session Minutes for the following dates: January 22, 2019, February 5, 2019, February 8, 2019 and February 15, 2019.

The MOTION CARRIED on a 2 to 0 margin.

4. RATIFICATION/APPROVAL OF VOUCHERS/PAYROLL

Approval of Vouchers in the amount of $28,807,687.63. The Board reviewed expenditures of the District as required by RCW 42.24.080 and RCW 42.24.090 for which checks were issued on February 26, 2019 under the provisions of Resolution No. 1421.

<table>
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<tr>
<th>Fund</th>
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<td>Accounts Payable</td>
<td>63207 to 63777</td>
<td>$27,989,226.52</td>
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<td>Payroll</td>
<td>2/8/19 &amp; 2/22/19</td>
<td>$818,461.11</td>
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MOTION: It was MOVED by COMMISSIONER DALGLEISH and SECONDED by COMMISSIONER QUINN to approve the ratification of the vouchers/payroll for February 8, 2019 and February 22, 2019.

Heather Sorensen, Director of Customer Service and Compliance, provided a high-level overview of expenditures and answered questions. Ms. Sorensen pointed out that the numbers this month are much larger than normal since the February 12, 2019 Regular Board Meeting was cancelled.

The MOTION CARRIED on a 2 to 0 margin.

5. NEW EMPLOYEE INTRODUCTIONS

Tim Johnston introduced Tyer Williams, Engineer II. Marisa Keeney introduced new Benefits Specialist, Sasha Hinners, and new Landscaper, Shawn Grisham.

6. PUBLIC COMMENT ON NON-AGENDA ITEMS

There was no public comment on non-agenda items.

7. GENERAL MANAGER REPORT

Steve Kern introduced Scott Wilson, BPA Power Account Executive, and Melanie Jackson, BPA Transmission Account Executive. Mr. Kern reported that he invited BPA to attend this meeting to speak to our Board since finding out last week, that BPA has discovered a $200,000,000 accounting error.

Scott Wilson stated that BPA announced on February 19, 2019, that BPA found the $200 million error that was an allocation between the power business line and transmission, which was around $12 million per year that occurred all the way back to 2004. BPA staff are still looking into the details and are working hard to make sure they are getting it right.
Scott Wilson mentioned that there will be a meeting scheduled on March 11, 2019 to get further into the high level details of the error. BPA will be looking for public commentary and asking how far back they should go and how should they handle the interest.

When asked when the business line split by Commissioner Quinn, Mr. Wilson noted that it split in 2006.

Mr. Kern asked Mr. Wilson about BPA’s reserve policy and Mr. Wilson reported that over the next 10 years, the goal is to build the reserves to $300,000,000 for power; this was put in place in 2018.

Commissioner Dalglish asked, "Why the split? And, now that this error has been found, is BPA planning on putting them back together? Mr. Wilson noted that, "They really aren't split. From Wallstreet's perspective, we are one BPA."

Steve Kern asked about the March 11th meeting and asked if BPA would be sending out the details of the meeting. Mr. Wilson noted that BPA needs some more context first. As the BPA’s new Executive Vice President and Chief Financial Officer, Michelle Manary, came on board, the BPA’s Administrator and Chief Executive Office, Elliot Mainzer, has charged Ms. Manary to not trust the numbers and to find the errors. BPA has questions regarding all of the different buckets; it was a much larger error than they expected to find.

Joel Cook, the BPA’s Senior Vice President of Power Services, is also now asking questions differently because he doesn’t trust the numbers. BPA is taking the time to make things right and figure out the numbers in reserves before they get to the final rates as it does effect potential new rates.

Steve Kern expressed his hope that Elliot Mainzer embraces Joel Cook to help him during this challenging time. Mr. Kern stated that he is extremely disappointed and noted that he also does not trust BPA’s numbers and that BPA has a huge hill to climb. Mr. Wilson agreed and felt that those who are looking at the numbers will find some other errors as well.

Mr. Kern asked if BPA was bringing in independent people in to look at the numbers and noted that he felt it would be really important to do so. Mr. Wilson stated Michelle Manary is bringing in people to help figure things out and that he likes the structure of people that are being put into place.

Steve Kern asked if Elliot Mainzer and the rest of upper management were going to be present at the March 11th meeting and Mr. Wilson stated that he thought both Mr. Mainzer and Ms. Manary will both be there.

Steve Kern thanked Scott Wilson and Melanie Jackson for coming to today’s PUD Board Meeting to answer questions on behalf of the Bonneville Power Administration.

7.1 Calendar of Community/Legislative Events

Steve Kern talked about Cowlitz PUD memberships and mentioned that that he will take some time to review whose on each committee at the March 12, 2019 Board Meeting. Mr. Kern will send out a list of various committees for the Commissioners to review ahead of time.

7.2 Legislative Update

Diana Carlen, of Gordon Thomas Honeywell, participated in this meeting via speaker phone. Ms. Carlen provided a Week 6 Legislative Update for the Commissioners as well as a detailed report on upcoming events, and high and medium priority bills.

Steve Kern asked Ms. Carlen about the recent tax parity suggestion. Ms. Carlen noted that she’s not sure if it will make it through or not due to the cost of adopting it.
Ms. Carlen noted that she does think that we will see a number of floor amendments. As soon as she starts getting the amendments, she will send them through to Mr. Kern and the Commissioners.

7.3 Cowlitz PUD Regional Cold Spell Look Back

Steve Kern provided a presentation and answered questions for the Commissioners on a look back at the region's cold spell. Diane Dick thanked Mr. Kern for putting all this information together and sharing it with the public.

Mr. Kern mentioned that Cowlitz PUD sent two line crews out today to the Lane Electric Co-op in Eugene to help out during all the snow outages they've had.

8. STAFF REPORTS AND PRESENTATIONS

8.1 Operational Reports

Steve Kern noted that with the recent sustained cold over this winter, this will be a high-billing cycle. Communication and Public Relations Manager, Alice Dietz, has been getting out cold weather information to the public through the local media.

8.2 Facilities Update

Manager of Employee Services, Marisa Keeney, reviewed the current Facilities Timeline and Upgrade Plan with the Commissioners at this meeting. The Commissioners thanked Ms. Keeney for her hard work on this project.

9. ACTION ITEMS & COMMENTS FROM THE PUBLIC

There were no comments from the public.

9.1 Resolution No. 2752: A Resolution of the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington, waiving the competitive bid requirements for the purchase of office furniture.

MOTION: It was MOVED by COMMISSIONER DALGLEISH and SECONDED by COMMISSIONER QUINN to approve Resolution No. 2752.

After reviewing the Facilities and Upgrade Plan with the Commissioners, Marisa Keeney reviewed Resolution No. 2752 which would waive the competitive bid requirements for the purchase of office furniture with the Commissioners.

The MOTION CARRIED on a 2 to 0 margin.

9.2 Employee Handbook Revisions & Approval

MOTION: It was MOVED by COMMISSIONER DALGLEISH and SECONDED by COMMISSIONER QUINN to approve the proposed Employee Handbook revisions.

Marisa Keeney reviewed the summary of changes at this meeting noting that the changes are minor and that the last review was done in January of 2018.

The MOTION CARRIED on a 2 to 0 margin.
10. COMMISSIONER REPORTS & UPCOMING EVENTS

Commissioner Dalgleish mentioned that he will be participating in the Candace Benton Radio Show this evening at 5:00 p.m. at Lynn's Deli with Host, Mark Nelson.

Commissioner Dalgleish noted that he and Alice Dietz are working on a Veteran's Program with the Kelso Elks; they are looking at doing some programs with Jim Welch.

Commissioner Quinn had nothing to report on at this time.

11. FINAL COMMENTS: FROM THE PUBLIC, GENERAL MANAGER, COMMISSIONERS

There were no final comments from the General Manager or the Commissioners.

12. NEXT MEETING

The next Regular meeting of the PUD Board of Commissioners will be held on Tuesday, March 12, 2019 at 2:00 p.m. in the John Searing PUD Auditorium.

Commissioner Quinn stated that an Executive Session would not be needed after this Board Meeting.

13. ADJOURNMENT

Commissioner Quinn adjourned the Board meeting at 4:00 p.m.

Attest:

________________________________________ Secretary

________________________________________ President

________________________________________ Vice-President

Prepared by: Barbara A. Taylor
Executive Assistant/Clerk of the Board
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<td>2:00pm PUD Board Meeting (PUD Auditorium) - Barbara Taylor</td>
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<td>8:00am March WPUDA Meetings - Olympia</td>
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<td>8:00am FYI: Home &amp; Garden Show (Energy Efficiency) - Expo Center (3/16 = 9:00)</td>
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<td>8:00am FYI: Home &amp; Garden Show (Energy Efficiency) - Expo Center</td>
<td>7:00am Legislative Briefing at the Kelso Red Lion in the Birch Room, Red Lion, 510</td>
<td>7:00am Call Before You Dig Breakfast (Safety)</td>
<td>2:00pm PUD Board Meeting (PUD</td>
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Community Events/Legislative
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<td>2:00pm PUD Board Meeting (PUD Auditorium) - Barbara Taylor</td>
<td>9:30am FYI: City of Longview Arbor Day Participation - Cowlitz PUD Tree Line USA Utility (Hemlock)</td>
<td>8:30am Dave Quinn Attending the Castle Rock Chamber of Commerce Mtg. at the Castle Rock</td>
<td>2:00pm Cowlitz PUD Leg Update Call (Dial In Number Below) - Diana Carlen</td>
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<td>8:00am April WPUDA Meetings - Olympia (Community)</td>
<td>8:00am April WPUDA Meetings - Olympia (Community Events/Legislative) - Barbara Taylor</td>
<td>8:00am April WPUDA Meetings - Olympia (Community)</td>
<td>2:00pm Cowlitz PUD Leg Update Call (Dial In Number Below) - Diana Carlen</td>
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Community Events/Legislative
Financial Reserves

- Update on BPA Power Financial Reserves Workshop that took place on Monday, March 11th
<table>
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<tr>
<th>Item/Issue</th>
<th>Priority</th>
<th>Status &amp; Timing</th>
<th>Strategic Approach/Next Steps:</th>
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| BP-20 Rate Case | HIGH | ACTIVE – Testimony Filed – 2/21/19, Rebuttals – 3/28/19, Hearings – 4/23/19, Oral Arguments – 5/13/19, Record of Decision – 7/25/19 | Collaborating with WPAG on Rate Case filings. WPAG is currently asking BPA to settle the BP-20 Power Rates at 0%.  
* Power rate increase is an average 2.9% in initial proposal  
* BPA met with customers to discuss possible settlement of power rates on Feb. 28th |
| BPA Energy Imbalance Market (EIM) stakeholder meeting | MEDIUM | ACTIVE – Workshop – 3/13/19 |  
* Monthly Stakeholder meetings (until July 2019)  
* Currently working through table top exercises  
* Implementation Agreement signing Fall 2019 after Record of Decision is issued  
* Go Live planned for Spring of 2022 |
| Regional Planning Organization | LOW | ACTIVE – FERC filing - 3/29/19 | ColumbiaGrid and Northern Tier Transmission Group (NTTG) are combining to better plan/serve the transmission system at a Regional level. This Regional Planning Organization (RPO); NorthernGrid is anticipated to launch on January 1, 2020. |