COWLITZ PUD BOARD OF COMMISSIONERS MEETING AGENDA
June 11, 2019

Board of Commissioners: Duane Dalgleish, Dena Diamond-Ott, Dave Quinn

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.

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

2. Any Changes to the Agenda for June 11, 2019?

3. Motion to Approve the June 11, 2019 Board Agenda: (Tab 1)

4. Motion to Approve the Regular Board Meeting Minutes of May 28, 2019 (Tab 2)

5. Motion to Ratify & Approve the Vouchers/Payroll: Heather Sorensen

6. Public Comment on Non-Agenda Items

7. General Manager Report: Gary Huhta

7.1 Community Events/Legislative Calendar (Tab 3)
8. Action Items & Comments from the Public

8.1 Motion to Approve Staff Recommendation No. 13/6/11 RE: Revised Wholesale Energy and Credit Risk Management Policy – PM-2: Heather Sorensen (Tab 4)

8.2 Motion to Approve Staff Recommendation No. 14/6/11 RE: Discounted Rate Program (SDDR): Heather Sorensen (Tab 5)

9. Staff Reports and Presentations

9.1 BPA Update: Bob Essex (Tab 6)

9.2 Substation Inspection Project Update: Doug Thomas (Tab 7)

10. Commissioner Reports & Upcoming Events

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

12. Confirmation of Next Meeting: Tuesday, June 25, 2019 – 2:00 p.m. in the PUD Auditorium

13. Executive Session: If Needed, the Presiding Officer will follow the Executive Session Procedure included with this agenda

14. Commissioners to Execute Agreements Before Adjourning the Meeting

15. Motion to Adjourn the Meeting

Tentative Board Meeting Agenda Items for June 25, 2019

- Business Operations Policies Approval
- Vehicle Surplus Approval
- May Operational Report
- Informational: First of Two Reviews of Resolution RE: Snake River Dams Removal
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
May 28, 2019
John Searing Auditorium

Present:

COMMISSIONERS:
Dave Quinn, President
Dena Diamond-Ott, Vice-President
Duane Dalgleish, Secretary

STAFF:
Deanna Carlson, Energy Policy Analyst
Alice Dietz, Communication & Public Relations Manager
Bob Essex, Interim Director of Power Management
Amanda Froberg, Environmental Compliance Manager
Rick Hughes, General Counsel
Gary Huhta, General Manager
Ray Johnson, Director of Engineering & Technology
Casey Kalal, Director of Operations
Marisa Keeney, Manager of Employee Services
Trent Martin, Director of Accounting & Finance
Heather Sorensen, Director of Customer Service and Compliance
Barbara Taylor, Executive Assistant/Clerk of the Board

MEDIA:
Shawn Luhn, KLTV

PUBLIC:
Diane Dick
Kurt Anagnostou

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. ANY CHANGES TO THE AGENDA OF MAY 28, 2019?

There were no changes to the May 28, 2019 Cowlitz PUD Board agenda.

3. MOTION TO APPROVE BOARD AGENDA FOR MAY 28, 2019

MOTION: It was MOVED by COMMISSIONER DIAMOND-Ott and SECONDED by COMMISSIONER DALGLEISH to approve the Board Agenda for May 28, 2019.

The MOTION CARRIED on a 3 to 0 margin.
4. MOTION TO APPROVE MINUTES

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve the Regular Board Minutes of May 14, 2019.

The MOTION CARRIED on a 3 to 0 margin.

5. MOTION TO RATIFY AND APPROVE VOUCHERS/PAYROLL

Approval of Vouchers in the amount of $4,619,289.21. 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 May 16, 2019 and May 23, 2019 under the provisions of Resolution No. 1421.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Check Nos.</th>
<th>Amount</th>
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<tr>
<td>Accounts Payable</td>
<td>65213 to 65483</td>
<td>$4,234,720.77</td>
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<tr>
<td>Payroll</td>
<td>May 17, 2019</td>
<td>$384,568.44</td>
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MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve the ratification of the vouchers/payroll on May 28, 2019.

Heather Sorensen, Director of Customer Service and Compliance, provided a high-level overview of expenditures and answered questions.

The MOTION CARRIED on a 3 to 0 margin.

6. PUBLIC COMMENT ON NON-AGENDA ITEMS

Diane Dick from Longview stated that she noticed that one of the tentative agenda items listed for the June 11, 2019 PUD Board Meeting is a Resolution regarding the Snake River Dams Removal. Ms. Dick suggested that this topic be discussed over two separate Board meetings so the public can attend and provide feedback.

Kurt Anagnostou, former Cowlitz PUD Commissioner, attended this meeting to talk about SB5116 and provided documentation regarding the Clean Energy Bill, the Governor's 100% carbon initiative noting that it is a philosophy change. Mr. Anagnostou shared the Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis – Under Executive Order 12866 and encouraged the Commissioners to review the document when they have time.

7. GENERAL MANAGER REPORT

7.1 Calendar of Community/Legislative Events

Gary Huhta reviewed the May and June Community/Legislative Events calendars and asked the Board to contact Barbara Taylor if they have anything they would like to add to the calendar.

In regard to Diane Dick's comment about the Snake River Dam Removal, Mr. Huhta mentioned that we can bring a draft Resolution to a future Board meeting for review and discussion, listen to the pros and cons, and then review it again and vote on it at a second Board meeting. Commissioner Diamond-Ott noted that she's been hearing a lot about the Snake River Dam Removal at WPUDA meetings as well.

Mr. Huhta reported that the District's key focus in the near future will be the budget process and strategic planning. PUD Staff have started work on strategic planning and will meet with the Commissioners on July 10, 2019.
8. ACTION ITEMS & COMMENTS FROM THE PUBLIC

8.1 Motion to Approve Staff Recommendation No. 12/5/28 RE: Approval of I-937 – 2019 Annual Report

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Staff Recommendation No. 12/5/28.

Bob Essex, Interim Director of Power Management, reviewed the June 1 Compliance Report (Energy Independence Act (I-937) with the Commissioners noting that the Commissioners passed Resolution No. 2754 on April 10, 2019, which found that the District met both its conservation and renewable portfolio requirements and is in full compliance with the Act. It is now time for the District to submit its Annual Report to the Washington State Department of Commerce which is due each year by June 1st.

Mr. Essex provided a presentation reviewing Energy Independence Act (I-937) requirements, the conservation target and achievement, the renewable energy requirement and a summary. Looking ahead, the District has adequate RECs to meet the increased 15% requirement in 2020. The District projects adequate RECs for compliance through 2027.

Mr. Essex recommended that the Board approve Staff Recommendation No. 12/5/28.

The MOTION CARRIED on a 3 to 0 margin.

9. STAFF REPORTS AND PRESENTATIONS

9.1 April Operational Reports

Gary Huhta pointed out to the Commissioners that since we still have a fairly new Commissioner on the Board that PUD Staff plan to walk through each of their business reports each month until each of the Commissioners is familiar with the information in the report; at that time, the Commissioners will be encouraged to review the report and come to the meetings with any questions they may have for staff.

Commissioner Diamond-Ott requested that it be listed on future agendas as to who will speak on each topic for the monthly Operational Reports.

Power Management: Bob Essex
Accounting & Finance: Trent Martin
Operations: Casey Kalal
Engineering and Technology: Ray Johnson
Customer Service: Heather Sorensen
Employee Services: Marisa Keeney
Public Relations and Communications: Alice Dietz

All operational reports for the month of April were reviewed at this meeting.

Heather Sorensen encouraged everyone present to talk to a PUD Customer Service Representative to sign up as a Zero Cost Customer, if they haven’t done so already.

Alice Dietz pointed out that Cowlitz PUD has launched a monthly radio show. For the District’s first show, Amanda Froberg talked about the environmental efforts that Cowlitz PUD is making, Steve Kern spoke about his retirement, and Colleen Neel, from Energy Efficiency, talked about rebates. Ms. Dietz noted that next week’s radio show will include a conversation with Gary Huhta as the new General Manager and Adrianne Marks from Customer Service who will talk about SDRR Program updates.
Ms. Sorensen pointed out that a SDRR program update will be provided at the June 11, 2019 Board meeting.

9.2 Presentation on the Lewis River Fish Passage Decision

Amanda Froberg, the District's Environmental Compliance Manager, attended this meeting to talk to the Commissioners about the Lewis River Fish Passage Decision. Ms. Froberg reviewed the background, license terms, current fish passage facilities, decision considerations, next steps and costs to Cowlitz PUD.

Next Steps Include the Following:

- Pacificorp and Cowlitz PUD are now implementing the Services' preliminary decision with the following actions:
  - Development of a Draft in Lieu Program Strategic Plan
  - Development of a Draft in Lieu Program Evaluation Plan
  - Development of a Draft Biological Evaluation assessing the effects of the Services' decisions
  - Preparation of FERC license amendment applications

Ms. Froberg will keep the Board updated.

Commissioner Diamond-Ott expressed interest in touring the Woodland Release Ponds if there is ever a tour scheduled for employees.

10. COMMISSIONER REPORTS & UPCOMING EVENTS

Commissioner Diamond-Ott reported that she attended the recent Woodland Chamber Meeting and noted that it was a good meeting and a good networking opportunity; she would also like to attend the Kalama Chamber Meeting occasionally as well.

Commissioner Dalgleish and Commissioner Quinn had nothing new to report on at this time.

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

Commissioner Diamond-Ott welcomed Gary Huhta in his new position as Cowlitz PUD's General Manager; she stated that the Commissioners are all glad that Mr. Huhta accepted the position and they are looking forward to working with him.

12. NEXT MEETING

The next Regular meeting of the PUD Board of Commissioners will be held on Tuesday, June 11, 2019 at 2:00 p.m. in the John Searing PUD Auditorium.

13. EXECUTIVE SESSION

Commissioner Quinn noted than an Executive Session was not needed after this meeting.

14. COMMISSIONERS TO EXECUTE AGREEMENTS BEFORE ADJOURNING

The Commissioners signed off on necessary documents.
15. ADJOURNMENT

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to adjourn this Board meeting at 3:25 p.m.

The MOTION CARRIED on a 3 to 0 margin.

Attest:

____________________________
President

____________________________
Vice-President

____________________________
Secretary

Prepared by: Barbara A. Taylor
Executive Assistant/Clerk of the Board
June 2019

<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
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<td>May 26</td>
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<td>Jun 1</td>
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<td>Jul 1</td>
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Community Events/Legislative
Date: June 11, 2019

To: Boarc of Commissioners
    Gary ·uhta, General Manager

From: Heather Sorensen, Director of Customer Service and Compliance

Subject: Revised Wholesale Energy and Credit Risk Management Policy – PM-2

The Wholesale Energy and Credit Risk Management Policy, PM-2 has been updated and is submitted for approval by the Board of Commissioners.

Pursuant to the Policy, the Risk Management Committee is to review the Policy on an annual basis by September 1st or as deemed appropriate. The proposed revisions to the Policy are as follows:

- Appendix B: Authorized Employees updated due to staffing changes
- Updated to reflect TEA partner changes
- Strengthened our credit limits for retail customers
- Minor edits for clarification

It is my recommendation that the Board of Commissioners approves the changes to the Wholesale Energy and Credit Risk Management Policy.

[Signature]
Heather Sorensen
Director of Customer Service and Compliance
The District first established the Discounted Rate Program (SDDR) in 2004 and since then has had an ongoing partnership with Lower Columbia Community Action Program (CAP), whom administers the program. The Discounted Rate Program is a reduced electric rate for qualified low-income seniors or low-income disabled customers. Over the past 12 months, 907 residential customers have benefited from this program.

Program Requirements
To qualify applicants must meet the following criteria:
- Low-income (up to 175% of Federal Poverty Level) AND
- Age 62 or older (by December 31st of current year) OR
- Permanent disability

Program Discounts
Qualifying applicants are eligible for the following discounts:
- 15% discount – 175% of the Federal Poverty Level
- 25% discounts – 125% of the Federal Poverty Level

Program Improvements
The Discounted Rate Program criteria and discounts have not changed since last year, but improvements to the program include the following:
- Streamlined the exchange of information between CAP and PUD
- Created a new simplified application form, available in office or online
- Updated application does not require CAP to maintain any personal information
- Documented procedure process for PUD and CAP
- Defined eligible income sources
- Revised income verification requirements
- Established service levels

Program Approval
Historically, the program has been brought before the Board for approval annually. It is my recommendation that going forward Board approval is only required when there are changes to the program requirements or discounts. The Board will continue to receive an annual presentation of the program performance.

It is my recommendation the Board approves the Discounted Rate Program as presented today.

Sincerely,

Heather Sorensen
Director of Customer Service & Compliance
Discounted Rate Program (SDDR)

- **Discounts**
  - 25% discount – up to 125% of Federal Poverty Level (FPL)
  - 15% discount – up to 175% of FPL

- **Registration Dates**
  - Start: 7/10/19
  - End: 10/18/19

- **Appointment Dates**
  - Start: 7/17/19
  - End: 11/15/19
Discounted Rate Program (SDDR)

• **Qualifications**
  - Low income – Up to 175% of Federal Poverty Level (FPL) **AND**
  - Senior: At least 62+ by December 31\textsuperscript{st} of the current year **OR**
  - Permanent disability

• **Application Process**
  - Obtain an application packet at Cowlitz PUD or online - cowlitzpud.org
  - Call Lower Columbia CAP to schedule an appointment (beginning July 10th)
  - Attend scheduled appointment with Lower Columbia CAP
    • Bring completed application, Authorization to Release Utility information form (if not already on file) proof of income and proof of age or disability
Previous Challenges Addressed

- **Multiple Visits for Customers**
  - Streamlined the exchange of information between CAP and PUD
  - Created a new simplified application form, available in office or online
  - Documented procedure process for PUD and CAP

- **Increased Concern of Sharing Personal Information**
  - CAP will return denied applications and supporting documentation to customers
  - Updated application process does not require CAP to maintain any personal information

- **Extensive Income Verification Requirements**
  - Defined eligible income sources
  - Revised income verification requirements – Previous year tax return

- **Backlog of Customer Calls and Appointments**
  - CAP is committed to seeing everyone – Set service expectations
  - CAP will schedule appointments into LIHEAP season if necessary
Warm Neighbor Program

Donation Funded Program – Brought in-house May 2019

- **Requirements**
  - Low income – Up to 200% of Federal Poverty Level (FPL)
  - Qualifying emergency (loss of job, medical, etc.)
  - Customer in a disconnect situation - MPP must be disconnected
  - Deposits and NSF fees are not paid by Warm Neighbor
  - Ineligible if previous fraud event or if on Moratorium Payment Plan

- **Program Assistance**
  - Traditional Billing
    - Up to $300 as needed to avoid disconnect
  - Prepay (MPP)
    - Amount needed for reconnect plus up to $50 starting credit
  - Available one time per 12 month period per customer
Warm Neighbor Program

• **Program Dates**
  - Year-round

• **Application Process**
  - Contact CSR to discuss available account options
  - Obtain application in office or online
  - Return completed application and proof of income to Cowlitz PUD
    - Proof of income – previous month bank statements(s) showing direct deposit of income or paystubs
  - Application will be processed and if approved a pledge will be placed on the customer’s account
Discounted Rate Program (SDDR) Statistics

Customers receiving discounted rate

- Customers set to renew in 2019
  - 15% - 83
  - 25% - 299
Warm Neighbor Program Statistics

Total of Warm Neighbor Funds Pledged: $10,000.00, $15,000.00, $20,000.00, $25,000.00, $30,000.00, $35,000.00, $40,000.00, $45,000.00

Number of Accounts That Received Funds: 0, 50, 100, 150, 200, 250, 300, 350, 400
QUESTIONS?
<table>
<thead>
<tr>
<th>Item/Issue</th>
<th>Priority</th>
<th>Status &amp; Timing</th>
<th>Strategic Approach/Next Steps:</th>
</tr>
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<tbody>
<tr>
<td><strong>BP-20 Rate Case</strong></td>
<td>HIGH</td>
<td>ACTIVE – Draft Record of Decision – 6/13/19</td>
<td>Collaborating with WPAG on Rate Case filings. WPAG's initial brief submitted on the 6th of May. Continue to push BPA to improve its competitive position through a zero percent rate increase.</td>
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<td>Customers Comments – 7/12/19</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Final Record of Decision – 7/25/19</td>
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<tr>
<td><strong>BPA Energy Imbalance Market (EIM) stakeholder meeting</strong></td>
<td>MEDIUM</td>
<td>ACTIVE – Workshop – 6/12/19</td>
<td>• Last Stakeholder meeting is June 12th</td>
</tr>
<tr>
<td>Net Benefit of $42.7M</td>
<td></td>
<td></td>
<td>• Record of Decision and Implementation Agreement (July - Sept. 2019)</td>
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<td>• BP-22 and TC-22 (Oct. 2020 – July 2021)</td>
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<td>• Go Live in Spring of 2022</td>
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<tr>
<td><strong>TC-20 Implementation</strong></td>
<td>LOW</td>
<td>ACTIVE – Workshop – 6/13/19 Limited Hourly Firm – 7/1/19</td>
<td>Continuing to work with the Network Customer Group to ensure that the terms and conditions of the settlement agreement are carried out by BPA.</td>
</tr>
<tr>
<td><strong>3rd Quarter BPA Business Review</strong></td>
<td>LOW</td>
<td>Workshop - 7/30/19</td>
<td>BPA’s Q2 net revenues forecast shows that the agency expects to end FY19 +$70M above BP-18 forecast, however this is really -$84M when debt management actions are removed.</td>
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<tr>
<td><strong>Columbia River Treaty</strong></td>
<td>LOW</td>
<td>ACTIVE – Next Negotiation - 6/19-6/20/19</td>
<td>The U.S. State Department and Canada began negotiations to modernize the Columbia River Treaty in May of 2018. Working with Columbia River Treaty Power Group on this process.</td>
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Cowlitz PUD - Substation Inspection Project

June 11, 2019
Objectives

- Security
- Safety
- Repair & Maintenance
- Identify Property Lines
- Stewardship of District Assets
Key Drivers for Project

Earthwork by Contractor

Missing Fence
Process

- October 2018 – Engineering developed an Action Plan

- Nov/Dec 2018 – Performed Inspections


- May 2019 – Completed by Engineering, Operations, & Facilities
What Did We Find?

32 Substations -

• Trees/Landscaping
  - 4 substations had tree issues

• Fencing
  - 14 substations needed new fencing slats or repairing

• Signage
  - All substations will have new signs by August 31, 2019

• Property Lines
  - 5 new surveys were performed
  - Two encroachments were identified
Fencing & New Signage

New

Old
Fencing

New

Old
Fencing - Safety
Trees
Property Lines - Encroachment
Landscaping
Landscaping
Conclusion

- New fencing slats, repairs, & landscaping
- New signs
- Removed danger trees
- Identified property lines
- Engineering/Operations/Facilities collaboration
- Moving Forward - Operations/Facilities