PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF BOARD MEETING OF COMMISSIONERS
June 25, 2019
John Searing Auditorium

Present:

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

STAFF:
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
Tami Ingalls, Senior Accountant
Ray Johnson, Director of Engineering & Technology
Casey Kalal, Director of Operations
Marisa Keeney, Manager of Employee Services
Mike Larsen, Manager Systems Engineering
Trent Martin, Director of Accounting & Finance
Stacie Pederson, Contracts Manager
Heather Sorensen, Director of Customer Service and Compliance
Barbara Taylor, Executive Assistant/Clerk of the Board

MEDIA:
Shawn Luhn, KLLV

PUBLIC:
Diane Dick
Barb Foxkigore

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 TODAY’S BOARD AGENDA?

There were no changes to the June 25, 2019 Cowlitz PUD Board Agenda.

3. APPROVAL OF AGENDA

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve the June 25, 2019 Agenda as written.
The MOTION CARRIED on a 3 to 0 margin.

4. APPROVAL OF BOARD MINUTES

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve the Regular Board minutes and the Executive Session minutes of June 11, 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 $17,317,147.99. 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 June 13, 2019 and June 20, 2019 under the provisions of Resolution No. 1421.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Check Nos.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>65671 to 65881</td>
<td>$16,926,800.20</td>
</tr>
<tr>
<td>Payroll</td>
<td>June 14, 2019</td>
<td>$390,347.79</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 as presented on June 25, 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

There was no public comment on non-agenda items.

7. GENERAL MANAGER REPORT

7.1 Calendar of Community/Legislative Events

Cowlitz PUD General Manager, Gary Huhta, reviewed the District calendars over the next couple of months noting that a couple dates in August had been added to the Commissioners’ calendars for Board Budget Workshops on 8/6 and 8/20 from 1:30 p.m. to 5:00 p.m.

Upcoming Community Events include the following:
- 6/28: Woodland’s Hot Summer Nights – Horseshoe Lake Park
- 6/29: The Great American Race – Using PUD Parking Lot
- 7/2: Cardboard Boat Race Judging (4-7 p.m. at Martin’s Dock)
- 7/13: Kalama Fair/Parade
- 7/18: Castle Rock Parade
- 8/2: Community BBQ in PUD Parking Lot (11-2)
- Concerts at Lake Sacajawea, Longview (5-7 p.m.) 7/11, 7/18, 7/25, 8/1, 8/8, 8/15, 8/22
8. ACTION ITEMS & COMMENTS FROM THE PUBLIC

8.1 Motion to Approve Staff Recommendation No. 15/6/25 RE: Business Operations Policies Approval

MOTION: It was MOVED by Commissioner Diamond-Ott and SECONDED by Commissioner Dalglish to approve Staff Recommendation No. 15/6/25.

Stacie Pederson, the District’s Contracts Manager, reported that the Business Operations Policies volume, which includes 8 policies, is currently up for adoption by the Board of Commissioners; a summary of changes was provided. Staff presented proposed updates for clarification and simplification of language to 3 out of the 8 policies at a Board Workshop conducted on June 11, 2019.

Ms. Pederson recommended that the Board adopt the revised Business Operations Policies as presented.

The MOTION CARRIED on a 3 to 0 margin.

8.2 Motion to Approve Staff Recommendation No. 16/6/25 RE: Evaluation and Recommendation – Advertised Bid - Distribution Transformers - Contract UC1723

MOTION: It was MOVED by Commissioner Diamond-Ott and SECONDED by Commissioner Dalglish to approve Staff Recommendation No. 16/6/25.

Tami Ingalls, the District’s Senior Accountant, reported that following an Engineering, Operations and Purchasing specifications review and inventory needs assessment, the District published a distribution transformer advertisement for bid. On May 29, 2019, sealed bids were publicly opened, representing 5 transformer manufacturers. The District’s goal for this bid process is to meet Cowlitz PUD’s expected distribution transformer inventory requirements for the balance of 2019 through 2022 with possible extensions up to two years.

Mike Larsen, the District’s Manager of Systems Engineering, noted that, if approved, contracts would be issued to two manufacturers, ERMCO Distribution Transformers and WEG Transformers USA, Inc. The total cost anticipated is $2,351,391 over three years and is provided for in the District’s approved budget.

Commissioner Dalglish expressed how much he appreciated the amount of due diligence the PUD staff have done on this project.

Tami Ingalls and Mike Larsen recommended that the District proceed with awarding Distribution Transformer Contract UC1723 as outlined at this meeting.

The MOTION CARRIED on a 3 to 0 margin.

9. STAFF REPORTS AND PRESENTATIONS

9.1 May Operational Reports

- Power Management: Bob Essex
- Accounting & Finance: Trent Martin
- Operations: Casey Kalal
- Engineering & Technology: Ray Johnson
- Customer Service: Heather Sorensen
- Employee Services: Marisa Keeney
- Public Relations & Communications: Alice Dietz
Board reports for the month of May were each reviewed with the Commissioners.

Alice Dietz, the District's Communication & Public Relations Manager, mentioned that the Great American Race will be coming through Longview and the PUD parking lot will be made available for their use.

Cowlitz PUD will be partnering with Bob’s Sporting Goods store for a basket to raffle off during the Concerts at the Lake; proceeds will benefit the Warm Neighbor Fund.

The District’s fourth radio show will take place on Monday July 1, 2019 at 4:00 p.m. on KEDO 1400 AM. Commissioner Dalgleish will be speaking about upcoming PUD community events over the summer. Doug Thomas, a Senior Engineer at Cowlitz PUD, will provide an update about the 8-mile transmission project from Woodland Substation to Ariel Substation and to PacifiCorp’s substation at Merwin.

9.2 Informational: First of Two Reviews of Resolution No. 2756 RE: Four Lower Snake River Dams Removal

General Manager, Gary Huhta, stated that this meeting time would be used as a public review for Resolution No. 2756. Mr. Huhta suggested that the Board consider the approval of Resolution No. 2756 at the next Regular Board Meeting on July 9, 2019 after a second public review takes place on that same date.

Amanda Froberg, the District’s Environmental Compliance Manager, provided the Commissioners and public with a presentation on the Lower Snake River Dams noting the facts about power, clean/renewable energy, and fish noting that Resolution No. 2756 supports the Federal Columbia River Power System (FCRPS) and Lower Snake River Dams continued operation.

The removal of elements of the FCRPS, including the Snake River Dams, would negatively impact Cowlitz PUD’s responsibility to provide reliable, efficient, clean and affordable power to its customers. Based on studies and Biological Opinions carried out by NOAA Fisheries, the District endorses the position that hydroelectric dams and salmon can co-exist.

Community member, Diane Dick, thanked Cowlitz PUD for providing the draft of Resolution No. 2756 for the public to review and for supporting an informed discussion before taking any possible action.

After much discussion and providing additional information for the Commissioners’ and Staff’s review, Diane Dick asked the District to give themselves and others more time, and to keep an open mind in understanding the many issues involved in removing or retaining Snake River dams. Ms. Dick stated that she would like to see the District table Resolution No. 2756 for future consideration.

10. COMMISSIONER REPORTS & UPCOMING EVENTS

Commissioner Diamond-Ott stated that she was scheduled to attend the Woodland Chamber meeting on June 18, 2019 but instead attended the Kalama Chamber meeting because Dennis Weber was speaking about the county budget.

Commissioner Diamond-Ott mentioned that she attended the Longview Chamber Quarterly Membership Legislative Wrap up Lunch on Friday, June 21, 2019 and made a comment to our legislators thanking them for the support received on SBS116, which helped reduce compliance costs. **Commissioner Diamond-Ott made the following quote:** "Cowlitz PUD did not pass a resolution thanking the legislators for their efforts in regards to SB5116 so as a PUD Commissioner, I should have started that thank you with the words, ‘I am a PUD Commissioner, however, I am speaking to you today as a citizen, not a Commissioner.’ I would like to go on the record that I was speaking personally."
Commissioner Dalgleish noted that he also attended the June 21, 2019 Quarterly Membership Legislative Wrap up Lunch. He will be participating in the next PUD Radio Show on Monday, July 1, 2019 at 4:00 p.m. with Alice Dietz and will be helping to judge this year’s Cardboard Boat Race on July 2, 2019.

Commissioner Quinn had nothing to report on at this time.

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

In referring to proposed Resolution No. 2756, Diane Dick asked that we keep all of our options on the table and an open mind.

12. NEXT MEETING

The next Regular meeting of the PUD Board of Commissioners will be held on Tuesday, July 9, 2019 at 2:00 p.m. in the John Searing PUD Auditorium.

13. EXECUTIVE SESSION

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

14. COMMISSIONERS TO EXECUTE AGREEMENTS BEFORE ADJOURNING THE MEETING

The Commissioners signed off on necessary paperwork.

15. ADJOURNMENT

Commissioner Quinn adjourned this meeting at 4:12 p.m.

Attest:

President

Vice-President

Secretary

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