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?

“New Employee Introduction” was added to today’s meeting agenda.

3. APPROVAL OF AGENDA

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve the July 9, 2019 Board Agenda with the addition of “New Employee Introduction.”

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 July 9, 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 $2,954,982.15. The Board reviewed expenditure of the District as required by RCW 42.24.080 and RCW 42.24.090 for which checks were issued on June 27, 2019 and July 3, 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>65882 to 66153</td>
<td>$2,571,436.07</td>
</tr>
<tr>
<td>Payroll</td>
<td>June 28, 2019</td>
<td>$383,546.08</td>
</tr>
</tbody>
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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 July 9, 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. NEW EMPLOYEE INTRODUCTION

6.1 Gary Huhta introduced Cowlitz PUD’s new Director of Regulatory & Regional Affairs, Steve Taylor.

7. PUBLIC COMMENT ON NON-AGENDA ITEMS

There was no public comment on non-agenda items.

8. GENERAL MANAGER REPORT

8.1 Calendar of Community/Legislative Events

Cowlitz PUD General Manager, Gary Huhta, reviewed the District calendars over the next couple of months noting that the Concerts at Lake Sacajawea start this Thursday, July 11, 2019, and the Kalama Fair/Parade will take place this Saturday, July 13, 2019.

Upcoming Community Events include the following:

- 7/13: Kalama Fair/Parade
- 7/18: Castle Rock Parade
- 8/2: Community BBQ in PUD Parking Lot - (11:00 a.m. to 2:00 p.m.)
- Concerts at Lake Sacajawea, Longview - 7/11, 7/18, 7/25, 8/1, 8/8, 8/15, 8/22

Mr. Huhta reminded the Commissioners that they are scheduled to attend an 8:30 a.m. Board Workshop on Strategic Planning tomorrow, 7/10, in the PUD Auditorium.
It was noted that because the west coast has avoided heat so far this year, the electric market prices have remained calm, however, the District continues to manage its portfolio cautiously.

Mr. Huhta pointed out that during last year's budgeting process, building maintenance was discussed. One of the first phases of building maintenance will involve the front office with new carpeting and paint. We will be communicating to our customers as to how we will accommodate their needs as many of our customer service employees will be temporarily moved to the PUD Auditorium until the maintenance work is completed. PUD Board meetings will be moved to the old Board Room until work is done.

9. ACTION ITEMS & COMMENTS FROM THE PUBLIC

9.1 Motion to Approve Resolution No. 2756 RE: Four Lower Snake Dams Removal

MOTION: It was MOVED by Commissioner Diamond-Ott and SECONDED by Commissioner Dagleish to approve Resolution No. 2756.

Gary Huhta reminded everyone that Resolution No. 2756 was introduced during the last Board Meeting on June 25, 2019. Staff took comments from the public and the Commissioners and made minor revisions for further review at today's meeting.

There were no questions regarding the updated Resolution No. 2756.

Commissioner Quinn pointed out that hydropower is one of our most treasured resources in this state; these dams are an important part of the power portfolio by providing clean, reliable power to our customers: he would not advise getting rid of them. Commissioner Dagleish agreed and stated that we cannot just eliminate the dams. We have to look out for the public and on demand power; we need to have those dams. Commissioner Diamond-Ott agreed, especially in light of SB 5116; without knowing the particulars of what SB 5116 is going to put before us, she feels it is not a good time for us to remove the dams and she is in support of this resolution for continued operation of the dams.

PUD Electric Rates Advisory Member (ERAC), Alan Godfrey, mentioned that he does not see the need to remove the dams when the salmon are getting up stream; he feels we need the dams for the Pacific Northwest. Mr. Godfrey stated that, "I am for saving those dams."

Community member, Diane Dick, agreed that we are not going to get rid of a lot of dams soon but she requested that the Commissioners table Resolution No. 2756 until further research is done noting that we need to pursue the questions; she felt it is too soon to take a stand.

Commissioner Diamond-Ott expressed to Ms. Dick that she always appreciates her perspective but noted that it is important that we vote today. Until there is another option for our community, it is our responsibility to support continued operation of the dams.

Commissioner Diamond-Ott pointed out that by approving Resolution No. 2756, it does not end the discussion as the District is looking at being part of the solution.

Commissioner Quinn also thanked Ms. Dick for her comments noting that right now, we have a known technology that is good for our environment and it is an important asset to the Pacific Northwest. As members of public power, we have to look out for the public.

The MOTION CARRIED on a 3 to 0 margin.
9.2 Motion to Approve Staff Recommendation No. 17/7/9 RE: Advertised Bid – North Woodland Substation to Lewis River Substation – 115kV Transmission & Distribution Project – Contract UC#1719 – Bids Opened June 27, 2019 – Job Order Numbers 16266, 16267, and 17758

MOTION: It was MOVED by Commissioner Diamond-Ott and SECONDED by Commissioner Dalgleish to approve Staff Recommendation No. 17/7/9.

Senior Engineer, Doug Thomas, reported that the District followed the advertised bid process. Bids were submitted to the District by four contractors, but one of the bids was rejected due to significant errors on the bid form. Titan Electric submitted the lowest, responsive bid.

Mr. Thomas answered questions by the Commissioners and then recommended that the “North Woodland Substation to Lewis River Substation – 115kV Transmission and Distribution Project” be awarded to Titan Electric.

Commissioner Dalgleish thanked Doug Thomas for a good job on the due diligence that has been performed.

The MOTION CARRIED on a 3 to 0 margin.

9.3 Public Hearing on Vehicle Surplus Approval

MOTION TO OPEN PUBLIC HEARING

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to open the Public Hearing for vehicle surplus approval.

The Commission has set the Regular meeting of July 9, at 2:00 p.m. in the PUD Auditorium as the time and place to hold a Public Hearing to surplus the items listed below, at which time any Taxpayer may appear and be heard regarding the whole or any part thereof:

- Vehicles/Equipment

There was no public comment at this meeting regarding vehicle surplus.

MOTION TO CLOSE PUBLIC HEARING

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to close the Public Hearing regarding vehicle surplus approval.

The MOTION CARRIED on a 3 to 0 margin.

Motion to Approve Staff Recommendation No. 18/7/9 RE: Surplus Items at Cowlitz PUD

MOTION: It was MOVED by Commissioner Diamond-Ott and SECONDED by Commissioner Dalgleish to approve Staff Recommendation No. 18/7/9.

Director of Customer Service and Compliance, Heather Sorensen, reported that the District’s Surplus Committee has reviewed the request received from staff and recommends that the surplus items be declared surplus to the needs of the District.

The MOTION CARRIED on a 3 to 0 margin.
10. STAFF REPORTS AND PRESENTATIONS

10.1 BPA Update

The District’s Energy Policy Analyst, Deanna Carlson, provided an energy policy update for the Commissioners which included information on the Rate Case, the Energy Imbalance Market, and Transmission.

BPA released its Draft Rccrd of Decision (ROD) on June 13, 2019, the final ROD will be released on July 25, 2019. BPA does not anticipate any increase to the base power rate.

<table>
<thead>
<tr>
<th></th>
<th>Initial Proposal</th>
<th>Draft ROD</th>
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</thead>
<tbody>
<tr>
<td>Base Rate Increase</td>
<td>1.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Financial Reserves Surcharge ($30M/yr.)</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Total Rate Increase</td>
<td>2.9%</td>
<td>1.5%</td>
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Main drivers for eliminating the 1.4% base rate increase included reduction in capital-related costs and efforts on the trading floor to bring additional revenue from sales of surplus power.

BPA is holding a Financial Reserves Review Workshop on July 16, 2019.

11. COMMISSIONER REPORTS & UPCOMING EVENTS

Commissioner Diamond-Ott noted that she will not be able to attend the WPUDA meetings this month but that Alice Dietz and Steve Taylor will be in attendance.

Commissioner Dalglish stated that he would be attending the Longview Chamber Meeting this evening.

Commissioner Quinn had nothing to report on at this time.

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

There were no final comments from the public, the General Manager, nor the Commissioners.

13. NEXT MEETING

The next Regular meeting of the PUD Board of Commissioners will be held on Tuesday, July 23, 2019 at 2:00 p.m. in the John Searing PUD Auditorium.

14. EXECUTIVE SESSION

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

15. COMMISSIONERS TO EXECUTE AGREEMENTS BEFORE ADJOURNING THE MEETING

The Commissioners signed off on necessary paperwork.
16. ADJOURNMENT

Commissioner Quinn adjourned this meeting at 2:52 p.m.

Attest:  

President

Vice-President

Secretary

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