PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF BOARD MEETING OF COMMISSIONERS
July 23, 2019
John Searing Auditorium

Present:

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

STAFF:
Deanna Carlson, Energy Policy Analyst
Alice Dietz, Communication & Public Relations Manager
Bob Essex, Interim Director of Power Management
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
Stacie Pederson, Contracts Manager
Heather Sorensen, Director of Customer Service and Compliance
Barbara Taylor, Executive Assistant/Clerk of the Board
Steve Taylor, Director of Regulatory & Regional Affairs
Ty Trahanes, Operations Superintendent II

MEDIA:
Shawn Luhn, KLTV

PUBLIC:
Diane Dick
Bill Josh
Mike Kayser

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 this meeting's agenda.

3. APPROVAL OF AGENDA

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve the July 23, 2019 Board Agenda.

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 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 $16,163,491.90. 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 July 11, 2019 and July 18, 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>66154 to 66396</td>
<td>$15,787,341.11</td>
</tr>
<tr>
<td>Payroll</td>
<td>July 12, 2019</td>
<td>$376,150.79</td>
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</tbody>
</table>

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 23, 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.

7. PUBLIC COMMENT ON NON-AGENDA ITEMS

Diane Dick spoke about the passing of Resolution No. 2756 at the July 9, 2019 PUD Board Meeting. Ms. Dick noted that it was implied that the lower Snake River dams were necessary to supply back up for electricity; she stated that she was surprised to find, in her research, that all of those four dams produced less generation than in previous years and suggested that it is important that we know where our resources are and how they are being dispatched.

Gary Huhta responded that we have been dealing with a low precipitation year across all hydro projects with lower than normal seasonal precipitation.

Bill Josh from Longview stated that he is a neighbor of the PUD’s Olive Way Substation and that the PUD has always been a good neighbor. He e-mailed the PUD about cleaning the concrete wall and it was taken care of right away. Bill noted that his family was thankful.

Mr. Josh pointed out that the federal government is responsible for taking down the dams, not the state government; he agreed that the PUD has it right to oppose dam removal and did not want to see Cowlitz PUD give in to extreme environmentalists.

8. GENERAL MANAGER REPORT

8.1 Calendar of Community/Legislative Events

Gary Huhta talked about a recent fire in Juniper Canyon that allegedly started in a wind turbine, noting that it did not involve either of the wind projects Cowlitz PUD has interest in.
Concerts at the Lake started on July 11, 2019 and will take place every Thursday evening through August 22, 2019.

Mr. Huhta reminded the Commissioners that Cowlitz PUD will be hosting a Community Barbecue on Friday, August 2, 2019 from 11:00 a.m. to 2:00 p.m. in the PUD parking lot.

9. ACTION ITEMS & COMMENTS FROM THE PUBLIC

9.1 Motion to Approve Staff Recommendation No. 19/7/23 RE: Transfer of Accounts to Reserve for Bad Debts – Q1 2018

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Staff Recommendation No. 19/7/23.

Heather Sorensen, Director of Customer Service and Compliance, provided a bad debt write off presentation for the Commissioners and answered questions. A summary of the write-offs for the last five years was reviewed.

Ms. Sorensen requested to transfer 129 accounts totaling $44,086.29 to the Reserve for Bad Debts. The accounts presented were for terminated service and bankruptcies during the first quarter of 2018. Appropriate collection action for these accounts will be continued through the District’s collection company.

The MOTION CARRIED on a 3 to 0 margin.

9.2 Motion to Approve Staff Recommendation No. 20/7/23 RE: Award of Transmission and Distribution Contract Line Crew, Contract# UC1726

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Staff Recommendation No. 20/7/23.

Ty Trahanes, Operations Superintendent II, reviewed Staff Recommendation No. 20/7/23 with the Commissioners noting that the existing Contract Line Crew agreement with Magnum Power is due to expire on August 15, 2019. The contract is very valuable to District operations in that the contract crews can supplement District line crews in the event that the work load increases in the coming year; the contract will provide the District with extra crews to restore power to our customers in the event of a storm or other large outage situation, and will also help with inspecting our pole-top facilities.

Five bids were received. Three of the five bids were found to be incomplete and were rejected. Magnum Power LLC and Wilson Construction Company submitted the two complete bids with Magnum Power's bid being approximately 1.1% lower than the Wilson Construction Company.

Mr. Trahanes recommended to the Board that the contract be awarded to Magnum Power LLC for one year with the option to extend it annually for three additional years.

The MOTION CARRIED on a 3 to 0 margin.

10. STAFF REPORTS AND PRESENTATIONS

10.1 Risk Management Report
Heather Sorensen reviewed the tri-annual Risk Management Report with the Commissioners, which went over the following: Counterparty Credit, Wholesale Energy Risk Compliance, Public Record Requests, Law Enforcement Requests, Reliability Compliance, and a Claim Summary.

10.2 June Operational Reports

Operational reports for the month of June were provided in the areas of Power Management, a BPA update, Accounting and Finance, Operations, Engineering & Technology, Customer Service, Employee Services and Public Relations.

While discussing BPA’s cash reserves error, Commissioner Diamond-Ott expressed concern regarding her lack of confidence in BPA noting that the District wants to provide reliable service to customers and know what it will cost.

Alice Dietz mentioned that she will need volunteers for this year’s National Night Out during the evening of Tuesday, August 6, 2019.

The 2019 Concerts at the Lake series have started. The District’s booth is located in between the Red Canoe and the City of Longview Parks and Recreation booths near Martin’s Dock. Staff and Commissioners have been volunteering to hand out water, Frisbees, hats and bracelets. The water we are handing out is PUD branded and promotes clean hydro.

The next Electric Rates & Advisory Committee (ERAC) meeting has been scheduled for Wednesday, August 14, 2019, at 4:00 p.m. in the PUD Board Room.

11. COMMISSIONER REPORTS & UPCOMING EVENTS

Commissioner Diamond-Ott reported that she will be attending the following:

- The Chamber meeting on July 30th in either Kalama or Woodland, depending on their agendas
- Cowlitz PUD’s Community Barbecue on Friday, August 2, 2019
- Board Budget Workshop on Tuesday, August 6, 2019
- Kalama National Night Out on August 6, 2019

Commissioner Dalgleish noted that he will also be attending the PUD’s Community Barbecue on Friday, August 2, 2019.

Commissioner Dalgleish mentioned that he’s received a lot of good feedback regarding the Concerts at the Lake this year and he’s glad the PUD is participating.

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

Diane Dick asked Cowlitz PUD to look at where power resources were generated this past winter.

13. NEXT MEETING

The next Regular meeting of the PUD Board of Commissioners will be held on Tuesday, August 13, 2019 at 2:00 p.m. in the John Searing PUD Auditorium.

14. COMMISSIONERS TO EXECUTE AGREEMENTS BEFORE ADJOURNING THE MEETING

The Commissioners signed off on necessary paperwork.
15. EXECUTIVE SESSION

Commissioner Quinn stated that there will be an Executive Session during this meeting pursuant to RCW 42.30.110 (1) for 45 minutes unless extended by the Presiding Officer. The purpose of the Executive Session is to consider the selection of a site or the acquisition of real estate by lease or purchase and qualifies for Executive Session because public knowledge regarding such consideration may cause a likelihood of increased price.

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to adjourn into Executive Session at 3:45 p.m. in the PUD Board Room.

The MOTION CARRIED on a 3 to 0 margin.

Present during Executive Session:
David Quinn, Commissioner
Dena Diamond-Ott, Commissioner
Duane Dalgleish, Commissioner
Rick Hughes, General Counsel
Gary Huhta, General Manager
Ray Johnson, Director of Engineering & Technology
Doug Thomas, Senior Engineer

16. ADJOURNMENT

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to adjourn at 4:30 p.m.

The MOTION CARRIED on a 3 to 0 margin.

Attest: ____________________________
President

Vice-President

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

Secretary