PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF BOARD MEETING OF COMMISSIONERS
October 8, 2019
PUD Board Room

Present:

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

STAFF:
Deanna Carlson, Energy Policy Analyst
Alice Dietz, Communication & Public Relations Manager
Dustin Draper, Assistant Controller
Joseph Durning, Groundman
Bob Essex, Director of Power Management
Sasha Hinners, Benefits Specialist/Leave Admin
Rick Hughes, General Counsel
Gary Huhta, General Manager
Ray Johnson, Director of Engineering & Technology
Casey Kalal, Director of Operations
Mark Kirby, Facilities Manager/Physical Security Coordinator
Mike Larsen, Manager System Engineering
Trent Martin, Director of Accounting & Finance
Stacie Pederson, Contract Specialist
Joni Sellards, Senior GIS Analyst
Heather Sorensen, Director of Customer Service and Compliance, & Auditor
Paul Stephenson, GIS Analyst
Barbara Taylor, Executive Assistant/Clerk of the Board
Steve Taylor, Director of Regulatory & Regional Affairs
Travis Walling, Safety Superintendent

MEDIA:
William Yeager, 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. ANY CHANGES TO TODAY'S BOARD AGENDA?

Commissioner Diamond-Ott requested the addition of approval of the October 7, 2019 Special Board Meeting/Legislative Briefing Minutes to this agenda.
3. APPROVAL OF AGENDA

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to add the October 7, 2019 Special Board Meeting/Legislative Briefing minutes to today’s agenda for approval.

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 September 24, 2019 Regular Board Meeting Minutes and the October 7, 2019 Special Board Meeting/Legislative Briefing minutes.

The MOTION CARRIED on a 3 to 0 margin.

5. MOTION TO RATIFY AND APPROVE VOUCHERS/PAYROLL

Approval of Vouchers in the amount of $1,581,357.22. 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 September 26, 2019 and October 3, 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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<tbody>
<tr>
<td>Accounts Payable</td>
<td>67598 to 67797</td>
<td>$1,200,758.61</td>
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<tr>
<td>Payroll</td>
<td>October 4, 2019</td>
<td>$380,598.61</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 October 8, 2019.

Heather Sorensen, Auditor and 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 INTRODUCTIONS

6.1 Casey Kalal introduced new Groundman, Joseph Durning.

6.2 Joni Sellards introduced new GIS Analyst, Paul Stephenson.

6.3 Trent Martin introduced new Assistant Controller, Dustin Draper.

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
Gary Huhta reminded the Commissioners that this week is Public Power Week and that there will be daily treats and give aways in the PUD Auditorium/Customer Service area.

The October and November 2019 calendars were reviewed. Mr. Huhta pointed out that Cowlitz PUD will be closed on the following holidays:

- Monday, October 14, 2019 for Columbus Day. (The District uses Columbus Day each year as a training day for all PUD employees.)
- Monday, November 11, 2019 for Veteran’s Day
- Thanksgiving and the day after, November 28 and 29, 2019

Commissioner Diamond-Ott noted that she will not be attending the October 17, 2019 WPUDA Budget Meeting but that she will be attending the funeral for Lewis County PUD Commissioner, Dean Dahlin, on Saturday, October 12, 2019.

9. ACTION ITEMS & COMMENTS FROM THE PUBLIC

9.1 Motion to Approve Staff Recommendation No. 26/10/08 RE: Acceptance of Work, Contract No. UC1708, DJ’s Electrical for the Lewis River Substation Rebuild

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Staff Recommendation No. 26/10/08.

Mike Larsen, Manager System Engineering, noted that in April 2019, Cowlitz PUD entered into a contract with DJ’s Electrical to provide contractor services for the rebuild of the Lewis River Substation.

The substation construction was completed by DJ’s Electrical on September 23, 2019. The construction included all the demolition, excavation, conduits, grounding system, concrete, steel structures, electrical bus work, setting of the high voltage equipment, setting of the medium voltage equipment, finish rock, and fencing. After inspection, it was found that all work was completed satisfactorily to the District’s requirements and the contractual obligations were met. DJ’s Electrical completed the work on time and without any change orders.

Mr. Larsen recommended the acceptance of work completed by DJ’s Electrical under Contract No. UC1708.

The MOTION CARRIED on a 3 to 0 margin.

9.2 Motion to Approve Staff Recommendation No. 27/10/08 RE: Business Operations Policies - Increase to the General Manager Expenditure Authority

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Staff Recommendation No. 27/10/08.

Stacie Pederson, the District’s Contract Specialist, reported that the District complies with the applicable laws and regulations of the State of Washington for all procurement activities. Ms. Pederson noted that Engrossed Substitute Senate Bill 5418 (ESSB 5418), which was approved this spring and went into effect as of July 28, 2019, changes the threshold amounts for the processes public agencies follow in making purchases and contracting work.

ESSB 5418 increased the Small Works procedure limit from $300,000 to $350,000. Historically, the District has kept the General Manager’s expenditure authority level consistent with the threshold for a Small Works Contract. The small gap of contracts between $300,001 and $350,000 creates an inconsistency with the District’s contracting process.
The Procurement and Purchasing Policy, Section 4.6, sets the General Manager’s authority to approve expenditures and execute contracts.

Stacie Pederson stated that it is her recommendation that the Board approve the increase to the General Manager’s expenditure authority from $300,000 to $350,000. Any contract in excess of $350,000 will be bid following the advertised bid process and will be brought to the Board for contract award.

Commissioner Quinn noted that the Small Works procurement process is an expedited procedure for accomplishing a competitive bid, and it makes sense for the General Manager to authorize the award of those contracts. If it is the District’s intention to keep the General Manager’s signature authority in line with the Small Works procurement limit set by statute, the policy language should be revised to reflect that, rather than set another dollar limit.

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to withdraw their first motion to approve Staff Recommendation No. 27/10/8 and approve the revision of the Procurement and Purchasing Policy section 4.6 to read that the General Manager shall have the authority to approve budgeted expenditures and contracts up to the limit set by RCW 39.04.155 for the Small Works procurement process.

The MOTION CARRIED on a 3 to 0 margin.

9.3 Motion to Approve Staff Recommendation No. 28/10/08 RE: Employee Safety Policy

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Staff Recommendation No. 28/10/08.

Travis Walling, Safety Superintendent, provided the Commissioners with an Employee Safety Policy Program presentation.

Mr. Walling noted that for the past several years, District staff has promoted a Safety Awareness Program that rewarded employees based on not having any workplace accidents. Although it has been well received by employees, there was a concern that a program such as this would discourage the reporting of accidents. Presently, with the District’s increased focus on employee engagement in safety, staff has developed a Safety Award Program that details the achievements that must be met for employees to earn awards. The Program encourages an open dialogue regarding safety concerns. The Safety Superintendent is responsible for managing the Safety Award Program and may revise it from time to time.

Staff believes that it is important for the Board to support the Program by adopting a formal Safety Policy that authorizes the Program.

Travis Walling recommended that the Board adopts the Employee Safety Policy as presented. If adopted, this policy will be incorporated with the District’s Business Operations Policy.

The MOTION CARRIED on a 3 to 0 margin.

9.4 Motion to Approve Staff Recommendation No. 29/10/08 RE: Approval of Update to the Personal Leave Sharing Program

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Staff Recommendation No. 29/10/08.

Sasha Hinners, the District’s Benefits Specialist, reviewed proposed changes to the District’s Handbook regarding the Personal Leave Sharing Program and answered questions.
Due to a limitation of the current Leave Sharing Program, if an employee is on short-term, or long-term disability, they are ineligible to receive Leave Share. Leave Sharing is in place to help employees who are in an FMLA qualifying event, have exhausted their own PTO, are unable to work, and bridge the gap financially until they are able to return to work. Leave Sharing is at no cost to the District and is an anonymous, voluntary, no pressure way that employees can help other employees by donating their PTO.

The Commissioners were asked to approve a minor change to the Personal Leave Sharing Program to allow employees who are on short-term disability to request Leave Share donations from their peers to help bridge this gap.

The MOTION CARRIED on a 3 to 0 margin.

9.5 Motion to Approve Resolution No. 2760: 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 Safety Boom Replacement Parts

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Resolution No. 2760.

Deanna Carlson, the District’s Energy Policy Analyst, reviewed Resolution No. 2760 waiving the competitive bid requirements for the purchase of safety boom replacement parts for Swift No. 2 and answered questions. Ms. Carlson explained that the public safety boom hardware for Swift No. 2, which was installed in 2006, is starting to fail and the system needs to be repaired with parts only available through Worthington Waterway Barriers or replace the entire 710 food safety boom with a different product. However, the District has found the Worthington product to be the highest quality of any available through any supplier and the least cost approach.

The MOTION CARRIED on a 3 to 0 margin.

9.6 Motion to Approve Resolution No. 2761: A Resolution of the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington, waiving the competitive bid requirements for the Design and Installation of HVAC Equipment

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to approve Resolution No. 2761.

Facilities Manager/Physical Security Coordinator, Mark Kirby, reviewed Resolution No. 2761 and answered questions. The District is currently underway with the first of several phases of renovating facility infrastructure to bring efficiency, improved security and functionality to its various facilities. An integral part of this work will include updating Cowlitz PUD’s HVAC systems. Additional phases of facility improvements requiring HVAC revisions will continue over the next several years. A single, qualified provider will allow for continuity of work and minimize costs and risk.

The vast majority of our HVAC equipment is manufactured by Carrier. Entek is the local Carrier factory certified maintenance provider and has a long-standing and positive history with the District designing, programming, installing, servicing and maintaining the equipment and associated controls. Entek also has unique knowledge of the District’s HVAC system that would be difficult to replicate and its headquarters are in Longview within five minutes of the District.

The MOTION CARRIED on a 3 to 0 margin.

10. STAFF REPORTS AND PRESENTATIONS

10.1 Safety Trailer Presentation
Travis Walling, the District’s Safety Superintendent, provided the Commissioners with a presentation on the District’s new safety trailer.

The District’s goal is to continue to educate the public on the hazards associated with the distribution of high-voltage electricity, how individuals may encounter these hazards, and how to respond when exposed to a potentially dangerous situation in order to keep themselves safe.

Community outreach will provide District employees the opportunity to interact with customers and increase awareness about safety, the PUD and its role as a power provider.

The audience that the District is targeting for safety trailer demonstrations includes: First Responders, Contractors, City, County, & State Maintenance Agencies, Elementary Kids, Career Fairs, Public Safety Events, and Community Events.

The District will be putting together a YouTube video to send to the schools so they can decide if they would like to participate in a demonstration.

Commissioner Quinn stated that he was impressed and expressed his thanks to Brad Keith, Cole Boss and Steve Jewel for their enthusiasm at yesterday’s safety trailer demonstration during the Legislative Tour/Briefing at Operations. Travis Walling also mentioned Dave Whitman from the relay shop, and added that those employees together have dedicated a lot of time and thought to this project.

10.2 2020-2022 Strategic Initiatives Presentation

The District’s Communication & Public Relations Manager, Alice Dietz, reviewed the 2020-2022 Strategic Initiatives with the Commissioners. At a workshop in July of this year, PUD Staff vetted issues that the District will be facing in the future and brought strategic initiatives to the Commissioners for review. Ms. Dietz noted that the plan is to have three stages of the strategic plan; a document for our customers, one for our employees and a third working document showing where we’re at with the initiatives.

Gary Huhta pointed out that the information put forward in the 2020-2022 Strategic Plan is intended to cover the next few years; he is not sure if we will create a new strategic plan every year or spread it out over time. What we have listed now will take two to three years to be ready for the key focus issues. Feedback from the Commissioners was requested as we will soon publish the information on our PUD website.

Commissioner Diamond-Ott noted that safety was talked about a lot during our strategic planning process and that she would like to see “Safety” added to our employee document. Mr. Huhta stated that safety is part of our mission at the District. Commissioner Diamond-Ott expressed that she really wants all PUD employees to know that the Board of Commissioners feels that safety is of utmost importance.

All three Commissioners were in favor of moving forward with the proposed Strategic Plan for 2020-2022.

11. COMMISSIONER REPORTS & UPCOMING EVENTS

Commissioner Diamond-Ott reported that she will be attending the October 12, 2019 funeral for Lewis County PUD Commissioner Dean Dahlin.

Commissioner Dalglish thanked Steve Taylor and Alice Dietz for putting together the video which was used for yesterday’s Legislative Briefing.

Commissioner Dalglish reported that he attended the Longview ’23 Club last night, which is a club honoring the memory of those who planned and built the City of Longview as a social, spiritual, cultural, and economic center for local residents. Commissioner Dalglish also attended a meeting regarding Longview’s homeless.
Commissioner Quinn expressed his appreciation of the District's employees' commitment to the new safety trailer. In addition, he sees that our employees want to help each other and that the District has a good foundation.

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

Commissioner Dalgleish stated that he likes the strategic initiatives that have been put forward and that they are succinct, emphasize communication, safety, efficiency, and preparations for the District's future.

Commissioner Dalgleish expressed his appreciation and thanks to the District that our community is not one of the 800,000 customers in California who are facing planned power outages; he felt that we may need to look at these issues long term as some of their weather conditions could also move toward Cowlitz County.

Gary Huhta noted that a few weeks back, the Commissioners approved a property purchase proposal near the Baker's Corner Substation. Mr. Huhta stated that the District's due diligence has been completed and that he will be signing papers at the title company this afternoon.

Commissioner Diamond-Ott asked about Public Power Week. Alice Dietz will be promoting Public Power all this week on the District's Facebook page; she also spoke yesterday during the PUD's monthly radio show with Joel Myers of Mason 3 PUD about the history of Public Power Week. There will also be daily treats and giveaways all this week for customers in the PUD Auditorium/Customer Service area.

Commissioner Quinn thanked Alice Dietz, Steve Taylor, Casey Kalal, Gary Huhta, Bob Essex and all staff who were involved in yesterday's Legislative Briefing.

13. NEXT MEETING

The next Regular meeting of the PUD Board of Commissioners will be held on Tuesday, October 22, 2019 at 2:00 p.m. in the PUD Board Room.

14. EXECUTIVE SESSION

Commissioner Quinn noted than 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

MOTION: It was MOVED by COMMISSIONER DIAMOND-OTT and SECONDED by COMMISSIONER DALGLEISH to adjourn this meeting at 3:42 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