



**COWLITZ PUD BOARD OF COMMISSIONERS
MEETING AGENDA
March 11, 2025, 2:00 p.m.
Cowlitz PUD Auditorium & Microsoft Teams**

Board of Commissioners: Dave Quinn, Duane Dalglish, Bruce Pollock

The Cowlitz PUD Board of Commissioners meets on the 2nd and 4th Tuesday of every month. Members of the public interested in participating via Microsoft Teams should contact Monica Petterson at mpetterson@cowlitzpud.org by 5:00 p.m. on Monday, March 10, 2025. To attend by phone, please call 1-323-484-8960 (Conference ID: 370 313 737#) at the time of the meeting. If you require a reasonable accommodation while in attendance at the Cowlitz PUD Board Meeting, please call Monica at (360) 501-9154 at least 72-hours prior to the meeting so that your needs can be addressed.

Please note that public comment is limited to three minutes per person.

1. Call to Order: 2:00 p.m.
2. Changes/Additions to Agenda
3. **Motion to Approve** Today's Board Agenda: Dave Quinn
4. **Motion to Approve** the PUD Board Meeting Minutes of February 25, 2025: Dave Quinn
5. Public Comment on Agenda Items and Other District Business
6. **Motion to Ratify** Vouchers & Payroll: Stacie Pederson
7. WSU Practicum Student Introduction
 - Lance Larwick to introduce Practicum students Tien Dinh and Nyx Currie

8. General Manager Report: Gary Huhta
9. Action Items
 - 9.1 **Motion to Approve** Staff Recommendation No. 5/3/11 – Award of Vegetation Management Contract: Brian Scheuble
 - 9.2 **Motion to Approve** Staff Recommendation No. 6/3/11 – Business Operation Policies: Monica Petterson
 - 9.3 **Motion to Approve** Staff Recommendation No. 7/3/11 – Transfer of Accounts to Reserve for Bad Debts Q2 2023 – Q2 2024: Heather Sorensen
 - 9.4 **Motion to Approve** Resolution No. 2822 – Approving a Derivative Agreement with ConocoPhillips Company: Trent Martin
10. Staff Reports and Presentations
 - 10.1 Bond Refunding Update: Trent Martin
11. Commissioner Reports & Upcoming Events
12. Executive Session: If needed, the Presiding Officer will follow the Executive Session Procedure included with this agenda.
13. **Motion to Adjourn** the Meeting

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. (i) To consider matters affecting national security;
(ii) 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;
- b. 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;
- c. 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;
- d. 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;
- i. 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**

Tuesday, February 25, 2025

John Searing Auditorium and Microsoft Teams

Present:**COMMISSIONERS**

Dave Quinn, President

Duane Dalgleish, Vice President

Bruce Pollock, Secretary

STAFF

Alice Dietz, Communication & Public Relations Manager

Casey Kalal, Director of Operations

Chris Velat, Director of Power Management

Heather Sorensen, Director of Customer Service & Compliance

Lance Larwick, Director of Engineering

Marisa Heard, Manager of Employee Services

Monica Petterson, Executive Assistant/Clerk of the Board

Richard Hughes, General Counsel

Tim Kalimanis, Director of Technology

Trent Martin, Director of Accounting/CFO

PUBLIC

None

1. CALL TO ORDER

Pursuant to published Notice, Commissioner 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. CHANGES/ADDITIONS TO BOARD AGENDA

There were no changes to today's agenda.

3. APPROVAL OF AGENDA

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to approve the February 25, 2025 Board Agenda.

The motion carried 3 to 0.

4. APPROVAL OF BOARD MINUTES

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to approve the February 11, 2025 Regular Board Meeting minutes as written.

The motion carried 3 to 0.

5. PUBLIC COMMENT ON AGENDA ITEMS AND OTHER DISTRICT BUSINESS

There was no public comment.

6. MOTION TO RATIFY VOUCHERS/PAYROLL

Approval of Vouchers in the amount of \$27,437,279.92. The Board reviewed expenditures of the District as required by RCW 42.24.180 for which payments were issued between February 12, 2025 and February 20, 2025, under the provisions of Resolution No. 2762.

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to ratify the vouchers/payroll.

Heather Sorensen, in her role as Auditor for the District, reported the majority of expenses were for power supply, taxes, and benefits. Materials purchased this period included transformers and a new fleet vehicle. Other expenses were Northwest River Partners dues, a contribution to the California Electric Transportation for participation in the planning of the West Coast corridor electrification charging infrastructure, conservation incentives, and Warm Neighbor pledges.

The motion carried 3 to 0.

7. GENERAL MANAGER REPORT

Director of Accounting and CFO Trent Martin led the General Manager reports in Gary Huhta's absence.

Outage Event: Director of Operations Casey Kalal reported on last night's outage event. A total of 2,400 customers were without power at the outage peak, and a total of 3,500 customers were out throughout the night. The largest area impacted was the southwest Woodland bottoms area. The Ryderwood, Toutle, and Delameter areas were also impacted. We had a very good response by District crews, and power was restored within two hours. Total customer minutes were about 500,000, the same as the YTD amount prior to this event. The AMI system is very helpful during these storm situations as it provides immediate notifications when fuse tap lines go out which increases our response rates.

Snowpack Update: Trent Martin and Director of Power Management Chris Velat provided the snowpack update. The water year is at 86% of average, a slight improvement over last month. Snowpack in the upper Columbia is still lagging, but we are hopeful for more rain in March. The Lewis River basin looks good, and we saw healthy inflows into the Swift project over the weekend.

BPA Updates: Chris Velat reported that BPA has accepted public power's counterproposal on the power rate case. BPA had previously proposed a rate increase of 9.8% but is now agreeable to an 8.3% increase. Settlement has not yet been reached on the transmission rate case.

BPA is nearing a final version of the Provider of Choice contract it will offer its customers. District staff will begin due diligence and analysis to determine the best option for the District and its customers. BPA had identified fiscal year 2023 as the year for the contract high water mark which was a bit of a concern for the District. We requested BPA review our load further due to the uniqueness of our industrial loads and are now awaiting their feedback. We expect they will provide us with two contract high water mark numbers.

8. ACTION ITEMS

8.1. Motion to Approve Staff Recommendation No. 4/2/25 – Employee Handbook Update

It was moved by Commissioner Dagleish and seconded by Commissioner Pollock to approve Staff Recommendation No. 4/2/25.

Manager of Employee Services Marisa Heard explained the Employee Handbook is reviewed and updated annually in part to comply with changes in federal or state laws. The proposed Handbook updates were reviewed by District staff and general counsel, and a summary of changes were included in the Board meeting materials. A few legal modifications were made, but there were no significant changes in this version of the handbook.

The motion carried 3 to 0.

8.2. Motion to Approve Resolution No. 2821 – Pole Attachment Rate

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to approve Resolution No. 2821.

At the last Board meeting, Trent Martin presented data and information regarding the District’s pole attachment rate. Based on Board feedback, District staff recommends the rate be adjusted to the full permissible rate of \$44.65 per attachment per year. The rate will be implemented in full effective January 1, 2025 through December 31, 2026. The rate calculation will be updated every two years.

The motion carried 3 to 0.

9. STAFF REPORTS & PRESENTATIONS

District staff provided highlights and answered Commissioner questions regarding the January 2025 Operational Reports which were included in the Board meeting materials.

10. COMMISSIONER REPORTS & UPCOMING EVENTS

There were no reports or upcoming events.

11. EXECUTIVE SESSION

The Board convened into Executive Session at 3:04 p.m. pursuant to RCW 42.30.110(1)(b) for 30 minutes 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. The Executive Session concluded at 3:34 p.m. No action was taken following the Executive Session.

12. MOTION TO ADJOURN MEETING

It was moved by Commissioner Dalgleish and seconded by Commissioner Pollock to adjourn the Regular Board Meeting at 3:34 p.m.

The motion carried 3 to 0.

Attest:

President

Secretary

Vice President

Prepared by Monica Petterson
Executive Assistant/Clerk of the Board

Date: March 11, 2025

Staff Recommendation No. 5/3/11

To: Board of Commissioners
Gary Huhta, General Manager

From: Brian Scheuble, Operations Superintendent

Subject: **Vegetation Management Recommendation, Contract #UC1822**

The District's Vegetation Management Contract with Asplundh Tree Expert is set to expire on March 31, 2025. In preparation for the new contract term, bids were solicited through the advertised bid process for a new one-year contract with the option to renew annually for up to three additional years. Three bids were received and opened on February 26, 2025.

For the sake of evaluating the bids, the crew rate for a typical vegetation management crew was used. This includes the hourly rates of a Foreman, Journeyman Trimmer, Groundman, Step 4 Apprentice, Flagman, 60/70 foot Lift Truck, Self-fed Chipper, and a Split Dump Truck w/Man Cab. This represents the typical hourly cost to the District for tree trimming needs. Also included in each bid, but not used for evaluation and award purposes, is additional equipment rates. This information is helpful in planning unique projects that may require the use of specialized equipment.

Bidder	Hourly Crew Rate
Asplundh Tree Expert, LLC	\$420.65
Wright Tree Service, Inc.	\$452.68
Davey Tree Surgery Company	\$483.62

Asplundh Tree Expert submitted the low bid. After further evaluation of the bids and based on their work reputation, prior work history with the District, references, and proven ability to provide for the District's needs, I recommend the Board of Commissioners authorize the award of Vegetation Management Contract UC1822 to Asplundh Tree Expert, LLC.



Brian Scheuble
Operations Superintendent



I concur

Casey Kalal
Director of Operations

Staff Recommendation No. 6/3/11

Date: March 11, 2025

To: Board of Commissioners
Gary Huhta, General Manager

From: Monica Petterson, Executive Assistant

Subject: Business Operation Policies

The attached revised Business Operation Policies volume is submitted for adoption by the Board of Commissioners. (Both red-line and clean versions are provided for your consideration.) The Board last approved the Business Operation Policies on March 12, 2024. In accordance with the policy review and update cycle, the Business Operation Policies have been reviewed by staff and the District's General Counsel and edits are summarized below:

- Policy 3: Business Continuity Policy
 - 3.2.1 Added language stating the General Manager may declare an emergency and waive competitive bidding if necessary to address the emergency pursuant to Section 4.4.2.
 - 3.3.1 Added language stating that exempt employee overtime pay is authorized for employees determined by the General Manager necessary to address an emergency.
- Policy 4: Procurement and Purchasing Policy
 - 4.2.5 – Added language for obtaining Professional Services to specify the process described in RCW 39.80 shall be used to contract with the most qualified firm for the work contemplated, as determined by District staff.
 - 4.2.6 Added language that the District will make an effort when possible to obtain at least three quotes/proposals to determine the most advantageous option for procurement of General Services.
 - 4.2.9 Added language for procuring electronic data processing and telecommunications systems that the award shall be made to the vendor with the product that best suits the needs of the District, as determined by District staff.
 - 4.4 Replaced the word “Public” with “Competitive.”
 - 4.4.1 Added that a waiver of competitive bidding shall be approved by a resolution of the Board before contract is awarded, except in the case of an emergency.
- Policy 6: Employee Safety Policy
 - 6.2 Removed Superintendent as being responsible for developing a Safety Award Program. This is the responsibility of the Safety Manager.
- Policy 7: Educational Assistance Policy
 - 7.6 Added Campus fees, Student Service fees, Student Wellness fees, Instructional fees, and Medical insurance as items not included as part of tuition reimbursement.
- Policy 8: Employee Recognition Policy
 - 8.2 Added language stating that Employee Recognition is a benefit provided to employees.

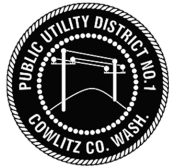
- Policy 11: Vehicle Use Policy
 - 11.4.7 Added language stating that animals are not allowed inside District vehicles unless required by law.
- Policy 12: Vehicle Replacement Policy
 - 12.2.2 Added electric powered (EV) to the list of vehicles to be reviewed for potential replacement.
- Policy 13: Drone/Unmanned Aircraft Use Policy
 - 13.2.2 Updated language from “Washington State Driver’s License” to “State Issued ID” to include pilots who reside in other states and those who may not have a driver’s license.
 - 13.2.4 Corrected spelling from “Glass” to “Class”

It is my recommendation the Board adopts the revised Business Operation Policies as presented today.

Sincerely,



Monica Petterson
Executive Assistant



BUSINESS OPERATION POLICIES

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1. Preamble

These Business Operation Policies have been adopted by Public Utility District No. 1 of Cowlitz County ("District" or "Cowlitz PUD") in the interest of efficiency, economy, good stewardship of public funds, and safety in its operations in the distribution of electricity to its customers. The Policies are subject to revision by the Commission from time to time to meet these objectives. These Policies are to serve as a guide to the employees and representatives of Cowlitz PUD in their performance of the day-to-day business of the District. Construction details and specifications are written to conform with the present State and National laws governing such matters and are not intended to violate any State, National or Municipal ordinances or laws. Should any new laws or ordinances be adopted that conflict with these Policies, the policies shall be considered to be amended accordingly.

2. Definitions

Special terms when used in these policies shall have the following meanings:

Business Continuity: The process of developing advance arrangements and procedures that enable an organization to respond to a natural or man-made disaster in such a manner that critical business functions continue with prioritized levels of service.

Business Continuity Plan (BCP) Coordinator: The District's IT Manager.

Business Interruption: Any event, whether anticipated or unanticipated, which disrupts the normal course of business operations at any of the District's facilities. (Example: power failure, earthquake, data breach, fire, flood, etc.)

District Business: Any activity performed at the direction, or for the benefit, of the District, not including an employee's normal commuting to and from work.

District Vehicle: Any motorized vehicle or motorized equipment owned, rented, or leased by the District.

General Services: Services such as consulting or technical services provided by a skilled professional that do not otherwise fall under Public Works or Professional Services.

Personal Use: The use of a District Vehicle to conduct an employee's personal affairs, not related to District business.

Professional Services: Services provided by engineers and/or architects.

Property Damage: Injury to real or personal property.

Public Works: All work, construction, alteration, repair, or improvement, other than Ordinary Maintenance, executed at the cost of the District, or which is by law a lien or charge on any property therein.

Ordinary Maintenance: Work not performed by contract and that is performed on a regularly scheduled basis – such as daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year – to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.

Power Take Off (PTO): A term used with vehicles and equipment. The PTO works outside the vehicle operation but needs the motor as a power source. The PTO supplies pressure to the hydraulic system which runs multiple items on the vehicle such as the capstan, aerial lift, digger, etc.

Residual Value: The value returned on a vehicle's eventual sale.

"Same kind of materials, equipment or supplies" shall mean substantially identical items.

Take-Home Vehicle: A District Vehicle assigned to be driven to and from an employee’s place of residence and their assigned work location.

Vehicle: All on-road and off-road means of motorized transportation and work equipment used in the daily operation and maintenance activities of the District distribution and transmission system.

3. Business Continuity Policy

3.1 Objective

The purpose of this policy is to ensure that the District's information and operations are protected against Business Interruptions, including large-scale disasters. To ensure recovery of critical services following a disruption or disaster, risks to critical functions will be identified, and effective preventative and responsive recovery strategies will be developed, implemented, and regularly tested. The District is committed to mitigating the impact of an interruption of critical business functions and facilitating the resumption and safe delivery of electricity to its customers.

3.2 Declaration of an Emergency

In the event of a Business Interruption, the District will:

- 3.2.1 Declare - Issue a formal Declaration of Emergency based on this criterion by the General Manager or designee, ~~provided the General Manager may~~ [provided the General Manager may declare an emergency and waive competitive bidding if necessary to address the emergency pursuant to Section 4.4.2.](#)
- 3.2.2 Ratify - The Board of Commissioners (the Board) of the District shall ratify such Declaration of Emergency as soon as practical and, as such, may need to waive notice of open meeting requirements as provided by law.
- 3.2.3 Terminate - The Board shall terminate such Declaration of Emergency when emergency conditions have subsided.

3.3 Administration

- 3.3.1 Overtime pay - Under a Declaration of Emergency by the District, overtime pay is authorized as follows:
 - Exempt employee overtime pay is authorized [for employees determined by the General Manager necessary to address the emergency](#), at one-and a half times base pay, except that overtime pay for Director Level and above is not authorized.
 - Non-exempt/non-bargaining employee overtime pay shall continue to be paid under standard administration policies.
 - Bargaining employee overtime shall continue to be paid under terms contained in the Collective Bargaining Agreement.
 - All overtime shall be closely managed by supervisory personnel to ensure that overtime compensation is in support of prompt restoration of service or in direct connection with the Business Continuity Planning Program (the Program).
- 3.3.2 Meals - Under a Declaration of Emergency by the District, meals are provided or reimbursed as follows:

- Non-bargaining employees shall be provided or reimbursed meals while at work in accordance with the Travel and Other Expenses Reimbursement Policy.
- Bargaining employees shall continue to be compensated under terms contained in the Collective Bargaining Agreement.

3.3.3 Purchasing and procurement - Under a Declaration of Emergency by the District, the District will authorize exceptions to the District's Purchasing and Procurement Policies as follows:

- The District has developed contracting and procurement policies intended to comply with Federal, State, and local laws, and with the Federal Emergency Management Agency (FEMA) procurement requirements. When an emergency is declared, these policies are followed to the extent they are consistent with legal requirements in existence at the time of the emergency.
- The General Manager will balance the need for prompt restoration of services with FEMA reimbursement rules.
- The General Manager may delegate procurement authority in writing.
- The General Manager may enter into a mutual aid agreement with other utilities that will provide the basis for payment to other utilities.
- The General Manager may suspend competitive bid requirements and award all necessary contracts to address the emergency under the provisions of RCW 39.04.280, as more fully described in Section 4.4.2.

3.4 Responsibilities

3.4.1 Board of Commissioners

- Review and approve - The Board of Commissioners are responsible for reviewing and approving the District's Business Continuity Policy annually.

3.4.2 Incident Response Team

- Integrate BCP best practices - The General Manager and Directors shall support a culture where business continuity best practices and recovery strategies are integrated into the District's daily operations.
- Make decisions - The Incident Response Team shall act quickly and decisively during a crisis.

3.4.3 Business Continuity Plan (BCP) Team

- Provide oversight - The BCP Team is responsible for the oversight and management of the Program. The BCP Team includes team leads from each Recovery Team and is led by the BCP Coordinator.
- Assess and update the Program - The assessment and updates will consist of:

- Performing a threat assessment to identify and mitigate risks to critical functions;
- Performing a business impact analysis to document and understand the interdependencies among business processes;
- Identifying critical applications, systems, and data;
- Prioritizing key business functions; and,
- Routine maintenance of the Program to keep the information current due to changes in the recovery strategy, business requirements, personnel, or technological changes.
- Train employees - Training will consist of:
 - Ensuring employee awareness for the need of business continuity planning;
 - Reviewing the procedures for reporting incidents and activating the Program;
 - Defining roles and responsibilities of Recovery Team members and providing procedures to follow in the event of a disruption of service or a disaster;
 - Documenting and distributing copies of the Program to employees; and,
 - Coordinating testing of the Plans between the Recovery Teams and IT.

3.4.4 Recovery Teams

- Develop recovery plans - In coordination with the District's Technology Recovery Team, Recovery Teams must develop a Plan that provides for contingencies to restore information and systems if a disaster occurs. Each Recovery Team is responsible and accountable for its' own Plan consistent with and in support of the overall Program. Recovery Teams that utilize third party vendors shall integrate their Plan, including off-site storage of data, with the service providers' plans.
- Maintain and update Plans annually – Recovery Teams shall update their Plan at least annually and following any significant change to their environment.
- Test Plan annually – Recovery Teams are required to test their Plan at least once a year. The Recovery Team shall correct any deficiencies revealed by the test and report them to the BCP Coordinator.

3.4.5 Technology Recovery Team (in addition to the above Recovery Team requirements)

- Develop technological recovery strategies - In conjunction with each Recovery Team, the Technology Recovery Team is responsible for ensuring all backup and recovery strategies for both business and SCADA networks.

4. Procurement and Purchasing Policy

4.1 Objective

It is the policy of the District in its procurement and purchasing functions to obtain necessary supplies, material, and equipment and to enter into Public Works and other services contracts at the lowest total cost, with specific consideration given to the principles of quality, functionality, overall cost-effectiveness, and timeliness. Above all, District employees must act as good stewards of public funds.

All procurement activities by the District shall comply with the applicable laws and regulations of the State of Washington, this Policy and prudent utility practices. In the event of statutory or regulatory changes, this Policy shall be amended or revised by action of the Commissioners, as necessary. All procedures related to this Policy shall be approved by the General Manager and implemented in a manner to give effect to applicable legal requirements.

4.2 Procurement Processes

Through this Policy the Board of Commissioners authorize the General Manager or designee to approve purchases using the following methods:

- 4.2.1 Purchases and contracts estimated less than the limits set forth by RCW 54.04.070(1) and (2) may be carried out without a contract or a competitive bid process.
- 4.2.2 Purchases and contracts estimated above the limits set forth by RCW 54.04.070(1) and (2) may be accomplished by a competitive bid process where an advertisement for bids is published and bids are opened publicly, evaluated, and awarded pursuant to RCW 54.04.080, subject to any exceptions provided by law.
- 4.2.3 The Small Works Process may be used to award contracts, as provided by RCW 54.04.070(4) and RCW 39.04.155.
- 4.2.4 The alternative bid procedure authorized by RCW 54.04.082 and RCW 39.04.190 requiring three quotes from vendors on the District's existing vendor list may be used for purchases of the same kind of materials, equipment, or supplies.
- 4.2.5 For obtaining Professional Services, the process described in RCW 39.80 shall be used to contract with the most qualified firm for the work contemplated, as determined by District staff.
- 4.2.6 Procurement of General Services shall be obtained by practices and procedures established by the District, making an effort when possible to obtain at least three quotes/proposals from at least three companies to determine the most advantageous option.

4.2.7 Purchases and contracts may also be accomplished through intergovernmental cooperative purchasing agreements. The District may enter into such cooperative purchasing agreements for this purpose. The General Manager is authorized to enter into Interlocal Agreements pursuant to RCW 39.34.030 consistent with the financial authority limits provided in section 4.6 below.

4.2.8 Contracting for third-party administrator services for self-insurance programs shall comply with the requirements of WAC 200-110-100. Entering a contract for services shall not relieve the District of its ultimate governing, managerial and financial responsibilities. The procedures for contracting with a third-party administrator shall include, as a minimum:

- Conduct a competitive solicitation process (may involve benefits consultant) – Factors to consider include but are not limited to customer service; benefit and operational procedures; legal, compliance and reporting; technology
- Contract with successful firm shall:
 - a. Ensure WAC 200-110-150 conflict of interest requirements are met, including that each contract shall require a written statement be submitted to the program on a form provided by the State Risk Manager providing assurance that no conflict of interest exists prior to acceptance of the contract by the self-insurance program.
 - b. Include complete written description of the services to be provided, remuneration levels, contract period and expiration date;
 - c. Provide for the confidentiality of the program's information, data and other intellectual property developed or shared during the course of the contract;
 - d. Provide for the program's ownership of the information, data, and other intellectual property developed or shared during the course of the contract;
 - e. Provide for the expressed authorization of the self-insurance program, consultants to the program, the state auditor, the state risk manager, or their designees, to enter the third-party administrator's premises to inspect and audit the records and performance of the third-party administrator which pertains to the program and to obtain such records electronically when audit travel costs can be eliminated or reduced;
 - f. Require the compliance with all applicable local, state, and federal laws;
 - g. Establish a monitoring and acceptance procedure to determine compliance with third-party administrator contract requirements; and
 - h. Establish indemnification provisions and set forth insurance requirements between the parties.

4.2.9 For procuring electronic data processing and telecommunications systems, the District may use the alternative RFP process as described in RCW 39.04.270, where the award shall be made to the vendor with the product that best suits the needs of the District, as determined by District staff~~most advantageous product~~, considering price and other factors.

4.2.10 The District may utilize any other method of procurement allowed by law and approved by the General Manager.

4.3 Single Source of Supply

Pursuant to RCW 39.04.280, the Board of Commissioners may waive competitive bidding by resolution. This is applicable when the purchase is clearly and legitimately limited to a single source of supply, such as but not limited to the following:

- District employees have conducted a screening process whereby a purchase of a specific product is justified;
- District employees can draft legitimate specifications to which only one vendor can successfully respond;
- The product is available only through one manufacturer or distributor; or
- The vendor certifies that the District is getting the lowest price it offers anyone.

4.4 Other Exceptions to Public Competitive Bidding

4.4.1 The District may also waive competitive bidding requirements under RCW 39.04.280 for purchases involving special facilities or market conditions, purchases in the event of an emergency, and purchases of insurance or bonds. Except in the case of an emergency, a waiver of competitive bidding shall be approved by a resolution of the Board before the contract is awarded. The resolution shall contain the factual basis of the proposed waiver.

4.4.2 If an emergency exists, the General Manager (or Acting General Manager) may declare that an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the District to address the emergency situation. A written finding of the existence of an emergency must be made by the General Manager and entered into record no later than two weeks following the award of the contract. For purposes of this section "emergency" means unforeseen circumstances beyond the control of the District that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. RCW 39.04.280(3).

4.5 Procedures

All procurement and the bidding/awarding of contracts shall be completed in accordance with this Policy and the District's current Purchasing Procedures. Included

in the Purchasing Procedures are step-by-step instructions for accomplishing purchases described in Section 4.2 above, as applicable.

4.6 Financial Expenditure Authority

The General Manager or designee is authorized to approve any expenditure or contract, including change orders, included in the Board-approved operations and capital budgets and up to \$200,000 for unbudgeted items consistent with District procedures and applicable procurement law. Other District personnel are authorized to approve budgeted expenditures and contracts up to their signature authority (exceptions with General Manager approval include budgeted power costs, payroll and related liabilities, healthcare claims and state and local taxes). Directors are authorized to approve unbudgeted items up to \$10,000. Board authorization is required for unbudgeted items in excess of \$200,000 and budgeted expenditures and contracts consistent with District procedures and applicable procurement law. The General Manager shall review and set not less than annually the signature (expenditure) authority levels of District personnel up to the amount of \$100,000. Periodically throughout the year, the Director of Accounting/Finance will provide actual year-to-date expenditures compared to budgeted amounts and/or annual forecasted expenditures compared to budgeted amounts for Board of Commissioner review.

4.7 Work to be Performed by District Employees

As provided by RCW 54.04.070(2), instead of contracting work, the District's employees may perform the work which is an accepted industry practice under prudent utility management. This is limited to projects with a total cost of materials not to exceed \$300,000, excluding items considered as equipment. The statute defines "equipment" as including but not being limited to conductor, cabling, wire, pipe, or lines used for electrical facilities.

- 4.7.1 "Accepted industry practice" is work typically performed by District employees, or work which District employees are capable of performing in the regular course of utility business.
- 4.7.2 For purposes of this section, "equipment" includes any item regularly stocked in the District's warehouse, including but not limited to poles, conduit, conductor, hardware, etc.
- 4.7.3 For purposes of this section, "materials" are tangible components of a project, other than equipment.
- 4.7.4 A "project" is work that can be completed and energized or operational on its own. It can be part of a larger project that takes place over an extended period of time, so long as it can be operational on its own.
- 4.7.5 A "phase" of a project is work that is not operational on its own after completion and requires other work to be performed to be operational.

4.8 Legal Review

When deviating from the normal purchasing procedures or when special circumstances occur, the District's General Counsel shall be consulted to assure the District maintains compliance with applicable laws. Additionally, contracts, other than the District's pre-approved contract forms, and all documents encumbering or conveying an interest in real property shall be provided to the District's General Counsel for review and approval.

4.9 Bid Opening Process

At the time and place stated in the Advertisement for Bids or in the small works bid packet, the bids shall be opened, read aloud, and recorded. This meeting shall be attended by an appropriate level of District staff members to witness and record the bids, preferably the Purchasing Manager, Sr. Procurement Coordinator, Risk Compliance Manager, Project Manager, and any of the bidders or other members of the public that wish to attend. The Purchasing Manager, or designee shall be the official timekeeper for the bid opening and determine the timeliness of all bids. For bid processes not requiring sealed bids, quotes or bids may be obtained over the phone or by email.

4.10 District Credit Card Purchases

The preferred method of purchase by the District is by Purchase Order/Invoice or expense reimbursement through the accounts payable process. However, whereas certain transactions are best executed by credit card, District credit cards will be issued to employees as determined necessary. The cardholder shall be empowered to make credit card purchases as authorized by an employee with the appropriate expenditure level for the purchase. The cardholder is responsible for matching the purchase receipts (each signed by an employee with the appropriate signature authority) to the credit card statement and coding each purchase with the appropriate department and budget codes. District credit cards shall not be used for personal expenditures or purposes.

5. Surplus Policy

5.1 Objectives

- 5.1.1 This Policy shall apply to the disposition of the District's works, plants, systems, utilities, and properties (real and personal) which (1) have become unserviceable, inadequate, obsolete, worn out or unfit to be used in the operations of the system, or (2) are no longer necessary, material to, or useful in such operations.
- 5.1.2 The disposition of an asset shall be done using Chapter 36.34 RCW as a guideline, in consideration of the best interests of the District and its customers, and in the most cost-effective manner.

5.2 Responsibilities and Procedure

- 5.2.1 District staff shall recommend to the Surplus Committee property that qualifies as surplus to the needs of the District.
- 5.2.2 The Surplus Committee is comprised of the Auditor, Purchasing Manager and Department Directors of Engineering and Operations.
- 5.2.3 As needed, the Surplus Committee shall comprise a list of surplus items along with a recommendation to the Board for disposition.

5.3 Notice and Public Hearing

- 5.3.1 Before authorizing the disposition of District property, the Board shall hold a public hearing, which may be combined with a regularly scheduled Board Meeting, to take comment from the public.
- 5.3.2 The notice shall be published at least two weeks prior to the hearing in a legal newspaper of general circulation in Cowlitz County.
- 5.3.3 The notice shall specify the date, time, location, and purpose of the hearing and shall generally describe the property being considered for disposal.
- 5.3.4 A public hearing is required unless the disposal falls under one of the exceptions below:
 - when selling to a governmental agency;
 - when the District is trading in the item upon the purchase of a like item;
 - when the value is less than \$2,500 per item (net of disposal costs); or
 - when the Board, by resolution, has declared an emergency to exist.

5.4 Methods of Disposition

- 5.4.1 If the Board authorizes the disposition of District property, staff may proceed in selling or otherwise disposing of the property in any legal manner that is beneficial to the District, including, but not limited to: public auction, sealed bids, consignment, broker, or donation to a non-profit organization.

6. Employee Safety Policy

6.1 Objective

Cowlitz PUD strives to maintain and promote safety as a core value with a goal to reduce hazards to employees, customers, contractors, and visitors. To ensure a commitment to a safe workplace, employees may be awarded for their participation in safety awareness.

6.2 Safety Incentive Program

The Safety Manager ~~or Superintendent~~ is responsible for developing a Safety Award Program, to be approved by the General Manager, to encourage all employees to participate and take ownership of maintaining a safe workplace.

6.2.1 Employees will be eligible to earn safety awards, with an annual limit of \$150 per employee. Internal Revenue Service (IRS) regulations may require reporting of certain awards as compensation.

7. Educational Assistance Policy

7.1 Objective

Cowlitz PUD recognizes that the skills and knowledge of its employees are critical to the success of the District. The District encourages personal development through formal education so that employees can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within the District. Eligible employees, subject to conditions and limitations, may apply for tuition reimbursement to further their education and career potential with the District.

7.2 Eligible Employees

This program is open to full-time employees who have been employed with the District for a period of one (1) or more consecutive years, who are not under recent disciplinary action and who have maintained satisfactory work performance prior to enrolling. Part-time, temporary, limited duration, seasonal and student employees are not eligible for this program.

7.3 Degree Program or Coursework Eligibility Requirements

Degree programs or individual coursework must be related to the employees' current job and may, in part, prepare the employee for a job to which he/she could reasonably aspire during his/her tenure with the District.

Those approved for education assistance may be reimbursed up to 90% of tuition paid, net of grants, scholarships, or other tuition assistance, to an accredited institution depending on the following factors:

- 7.3.1 The extent to which the course of study will benefit the District.
- 7.3.2 The program design and quality of the educational institution.
- 7.3.3 Budgetary limitations of the District.
- 7.3.4 Job performance while attending the education program.
- 7.3.5 Recommendation of the Department Director.

7.4 Approval Process

Educational assistance approval must be received at least ninety (90) days in advance of the start date of classes. The employee and Department Director will jointly prepare an educational assistance request plan, which will include:

- 7.4.1 A written statement from the employee as to how the District will benefit.
- 7.4.2 A written statement from the Department Director endorsing the employee.
- 7.4.3 Description of the education plan with degree to be obtained, if applicable, and a list of required courses and elective courses.
- 7.4.4 Dates of enrollment.

7.4.5 Cost of tuition.

7.4.6 Name of educational institution. (Must be an accredited institution.)

Before employee enrolls in approved courses, he/she must submit each term's classes for approval using the Pre-Enrollment Authorization for Tuition Reimbursement Form. This must include the class registration with the name of the course and tuition cost.

Human Resources will make the determination for approval for the educational assistance program and the related degree program with input by the Department Director.

7.5 Reimbursement

Within thirty (30) days of course completion, the employee must submit to the Human Resources Manager the official transcript from educational institution indicating course and grade received for the course. The employee must receive at least a grade of "B", or "pass" when a "pass/fail" grade is used by the institution to receive reimbursement from the District.

7.6 Limitations

7.6.1 As noted above, reimbursement for approved courses is limited to tuition. Tuition does not include the following fees and expenses (not intended to be an all-inclusive list):

- Textbooks;
- Campus fees;
- Supplies, equipment, or other course materials;
- Lab fees;
- Technology fees;
- Student Service fees;
- Student Wellness fees;
- Instructional fees;
- Required software;
- Application fees;
- Medical Insurance;
- Testing fees; and
- Travel, lodging and meals

7.6.2 All costs not identified in this policy are the responsibility of the employee.

7.6.3 Other limitations include (unless approved by the General Manager):

- A law degree;
- Ph.D. degree programs; and
- Those employees who have already obtained a graduate or undergraduate degree that was reimbursed by the District.

7.7 Payback Provision

- 7.7.1 As a condition of educational assistance, the employee shall agree that if he or she elects to leave District employment or is terminated for cause, the employee will repay the District per the schedule below.

Voluntarily Resigns or Terminated for Cause	Percentage of tuition to be remitted back to the PUD
Within 12 months of completing the course/program	90%
Within 13 to 24 months of completing the course/program	75%
Within 25 to 36 months of completing the course/program	50%
Within 37 to 48 months of completing the course/program	25%

7.7.2 Pay back of tuition reimbursement will be deducted out of the employee’s final paycheck upon separation. If the final paycheck does not have enough funds to cover the remaining tuition reimbursement balance the District’s accounting department will bill the separated employee for the remaining balance.

8. Employee Recognition Policy

8.1 Objective

To establish procedures and guidelines under which Cowlitz Public Utility District (the District) funds can be utilized for the purpose of employee recognition.

8.2 Definition of Employee Recognition

“Employee recognition” [is a benefit provided to employees, and](#) means any award, token of appreciation, prize, meal, entertainment, event, or similar recognition that is specifically to promote good will among District employees; foster a sense of pride in affiliation with the District; promote safety, productivity, reliability, efficiency, dedication, and/or commitment to the community that the District serves; or generate cost savings for the District. It is the intent that the District benefits from this policy by encouraging and supporting conduct on the part of employees that benefits the District as an organization.

8.3 Expenditure of Funds

8.3.1 The District or its individual departments or work sections may, subject to budgetary authority, expend funds for the purpose of employee recognition.

8.3.2 The expenditure of funds for a token of appreciation, prize, plaque, award, or similar item is limited to no more than \$350 per employee per year (not to include recognition of longevity, retirement, the safety incentive award program, wellness program, food purchased specifically for Department meetings, trainings, Department Lunch and Learn sessions, employee recognition day, Christmas Lunch or food purchased for employees during storm response). Beginning in the year 2021, the amount may be adjusted annually during the budget process dependent on budgetary limitations and prior year expenses. The Manager of Employee Services will be responsible for calculating the annual expenditure limit, subject to any budget restrictions.

8.3.3 The expenditure of funds for recognition of longevity of employment or retirement shall be:

- 5 Years of Service \$25.00 Gift (PUD Logo item or Gift Card)
- 10 Years of Service \$50.00 Gift (PUD Logo item or Gift Card)
- 15 Years of Service \$75.00 Gift (PUD Logo item or Gift Card)
- 20 Years of Service \$100.00 Gift (PUD Logo item or Gift Card)
- 25 Years of Service \$125.00 Gift (PUD Logo item or Gift Card)
- 30 Years of Service \$150.00 Gift (PUD Logo item or Gift Card)

When an employee retires, the District may contribute to a District hosted retirement function and/or retirement gift up to a maximum of \$250.00.

8.3.4 The General Manager, at his or her discretion, may increase the amount allowed in the previous paragraph by no more than \$100 per recognized

employee, inclusive of sales tax, shipping, and handling, engraving and other incidental costs, when he or she determines a smaller amount is insufficient under the circumstances.

- 8.3.5 The expenditure of funds for meals related to an employee recognition event must be authorized by the General Manager in advance and may not exceed GSA per diem dinner rate for the Vancouver (Clark/Cowlitz/Skamania) area for meal expenses for employees in attendance at the event. A list of the District employees in attendance at an event, along with receipts for all expenditures, will be submitted to the Manager of Employee Services.
- 8.3.6 The General Manager must approve in advance the expenditure of funds for use of facilities or related costs for the purpose of employee recognition. The General Manager, before approval of such costs, must determine that they are reasonable, and that the expenditure complies with the District's procurement policy. Where feasible, events should be held at the District facilities at no cost.
- 8.3.7 The employee will be responsible for any applicable taxes. The CFO will determine the amount of taxes to be withheld if appropriate.

8.4 Criteria for Events, Contests or Award Programs Required

8.4.1 Employee recognition events, contests, or award programs (excluding retirements), are subject to the following requirements:

- The award program or contest ***must be preceded by written criteria*** which clearly delineate: 1) the rules, procedures, or basis for eligibility for the program or contest; and 2) the procedure to be used in determining the winner of the award or prize;
- A written description of the type of award or prize which will be given must be available to all eligible employees in advance; and
- The award program or contest must, within reason and consistent with the purpose of the program, be designed to include as many employees as is reasonable under the circumstances.

8.4.2 The following is a non-inclusive list of events that the District recognizes as Employee Recognition:

- Veteran's Day recognition of District employees' service
- Employee Recognition Day
- Safety Program
- Early Release for Christmas Eve and/or New Year's Eve
- Logo Wear (i.e., hats, t-shirts, sweatshirts, jackets)
- Spot Awards
- Years of Service Awards
- Meals for an employee birthday, special life event, milestone years of service
- Retirement

- Life events: flowers, cards (i.e., marriage, surgery, birth, death)
- Lineman Appreciation Day
- Benefit's Fair
- Wellness Events
- On-site training classes

9. Travel and Other Expenses Reimbursement Policy

9.1 General Provisions

- 9.1.1 Commissioners and employees of the District are expected to exercise prudent judgment when incurring travel and other expenses for official District business. Business related travel and other expenses will be reimbursed in accordance with this Policy.
- 9.1.2 The District's Board of Commissioners shall approve the travel of a fellow Commissioner who travels outside the State of Washington or Oregon.
- 9.1.3 The Department Director or the General Manager shall approve all employee travel and the Auditor shall approve all travel for the General Manager, except for regular meetings with District membership organizations within the State of Washington or Oregon.
- 9.1.4 Purchases for materials or supplies should be made in accordance with the District's Purchasing Policy and billed to the District when possible.
- 9.1.5 All expenses will be reimbursed based on actual expenses incurred, with the exception of travel status meals, which will be limited to the current U.S. General Service Administration (GSA) rates.
- 9.1.6 Commissioners and employees must submit a Travel and Training Expense Reimbursement Form (Reimbursement Form) prescribed by the Auditor within 60 days of travel to comply with IRS non-taxable income rules.
- 9.1.7 By submitting reimbursement for payments made under this Policy, Board members shall also certify that the request for reimbursement is made in compliance with the Board of Commissioners Governance Policy and RCW 54.12.080(4).

9.2 Reimbursable Expenses

- 9.2.1 Registration: Registration fees required in connection with attendance at conventions, conferences and official meetings are reimbursable. Reimbursable registration fees may include meals, special dinners, and banquets, but may not include recreational or entertainment activities such as golf tournaments, movies, sporting events, etc. Registration should be completed prior to travel to obtain early bird discounts when possible and processed through the normal voucher system.
- 9.2.2 Mileage: District employees are encouraged to use District Vehicles or rental car services for District business; however, should an employee use their personal vehicle the mileage reimbursement allowed in connection with District business shall be the current Internal Revenue Service allowable vehicle mileage rate. Mileage shall be calculated based on travel commencing

from the District office, except Commissioners shall calculate mileage from their home addresses to the destination.

- 9.2.3 Airfare: Employees are expected to obtain the lowest available airfare that reasonably meets business travel needs. Employees are encouraged to book flights 30 days in advance to avoid premium airfare pricing. First-class, business class and priority seating upgrades are not reimbursable. Luggage reimbursement is limited to one checked bag (each way) per passenger.
- 9.2.4 Rental Car: The District has an account with the Enterprise Rent-A-Car. To reserve a rental car through this program, instructions and account information are available on the District's intranet. Commissioners and employees should consider alternative transportation, its availability, and cost prior to vehicle rental. The District provides physical damage coverage for rental vehicles as part of its auto liability coverage. In addition, the Enterprise program includes Collision Damage Waiver which is required whether renting from Enterprise or another car rental agency.
- 9.2.5 Other Transportation Fees: Business required taxi, other hired fares, parking fees, ferry charges and bridge and road tolls are reimbursable.
- 9.2.6 Lodging:
- Reimbursement for lodging expenses shall be the single room rate or standard block rate. If available, government discount rates are required.
 - Lodging may be included for the day prior to the business meeting if travel departure is required before 6:00 a.m. the day of the meeting. This requirement may be waived if, in the opinion of the Department Director or General Manager, there is a compelling business justification.
 - Extra nights lodging may be granted if the health and safety of the traveler is at risk, due to a bona-fide emergency, or to comply with the provisions of the Americans with Disabilities Act.
 - Except for business necessity or personal emergency, late check-out and room guaranteed charges are not reimbursable.
 - Laundry and dry cleaning for those traveling less than seven consecutive days are not reimbursable.
- 9.2.7 Meals:
- Reimbursement for meal expenses is limited to the current daily GSA rate in place for the destination at the time the expense is incurred and includes cost of meal, sales tax, and customary tip/gratuity.
 - Reimbursement for partial travel days shall be based on the travel status times as defined below:

Starting Travel Status	Meal(s) Reimbursed That Day
Before 8:00 AM	Breakfast, Lunch, Dinner
After 8:00 AM	Lunch, Dinner
After 5:00 PM	Dinner

Ending Travel Status	Meal(s) Reimbursed That Day
Before 8:00 AM	Breakfast
Before 5:00 PM	Breakfast, Lunch
After 5:00 PM	Breakfast, Lunch, Dinner

- Travel status includes airport arrival up to three hours before domestic flights and up to four hours before international flights.
- If a meal is provided (such as through a registration fee for a conference), the employee will need to deduct the applicable meal per diem amount from his/her reimbursement form.

9.2.8 Business Services: Internet access for business related use will be reimbursed on the basis of actual expenses incurred.

9.2.9 Tips and Gratuities: Discretionary tips and gratuities for meals are included in the GSA allowance for each meal. Tips for hotel services (room cleaning, etc.) shall not exceed \$5 per day. Mandatory tips will be reimbursed on the basis of actual expenses incurred.

9.2.10 Goods and Services: Incidental expenses for District activities such as volunteer events, on-site and off-site working meetings and other business-related functions will be reimbursed on the basis of actual expenses incurred.

9.2.11 Candidate Recruitment: Technical or managerial positions that require special qualifications may require recruitment outside of the local area. Travel and living expenses of potential candidates will be reimbursed while in travel status and consistent with RCW 54.16.092.

9.3 Documentation of Expenses

9.3.1 Credit Card Receipts: When paying by credit card, most merchants provide a detailed receipt in addition to the credit card slip. The itemized receipt is required to be submitted in all cases where they are provided by the vendor. Or the Auditor may accept, at his/her discretion, other forms of documentation such as electronic receipts, email confirmations, invoices, bank statements, etc.

9.3.2 Misplaced Receipts and Cash Expenses: Commissioners and employees who misplace or cannot obtain receipts are required to submit an affidavit on a form prescribed by the Auditor. Such affidavit shall provide a detailed

explanation of the expenditure, the amount, and the signature of the employee certifying that the expenditure was for District business purposes.

- 9.3.3 Lodging: Lodging receipts must clearly identify the amounts paid, the number of occupants, and the room rate. All room service charges shall be deducted from the lodging reimbursement and will be reimbursed in accordance with the meal per diem.
- 9.3.4 Meals: A printout of the GSA rates for all travel locations where meal expenses are incurred must be submitted. Reimbursement above the per diem is allowable under special circumstances (i.e., required attendance at a particular restaurant) and must be supported by an itemized receipt.
- 9.3.5 Meals Consumed by Others: Meals and refreshments purchased for others must be for legitimate business purposes, must include the name of the person who consumed the food or drink, the nature of the occasion for the consumption and will be reimbursed at the GSA rate in place at the time the expense is incurred.
- 9.3.6 Travel with Another Employee: Employees traveling together may combine expenses however, the receipt must clearly indicate the name of those who incurred the expense.
- 9.3.7 Extended or Alternate Travel: Extended travel or travel to an alternative location in order to save money, require a statement of monetary and benefit savings to be submitted with the reimbursement. If travel is extended for non-business purposes a breakdown of additional costs incurred must be identified and excluded from reimbursement.
- 9.3.8 De Minimis Expenses: Documentation is not necessary for amounts expended within the maximum limits identified below, but shall be reimbursed based on actual expense incurred. Expenditures in excess of the amounts listed below must be supported by an itemized receipt.
- Transit fares, taxis, ferry charges and bridge and road tolls if \$20 or less.
 - Parking fees if \$15 or less (per day).
 - Tips and sundry expenses, such as valet, dry cleaning, etc., if \$10 or less.
 - Airline checked baggage fees \$30 each way.

9.4 Non-Reimbursable Expenses

- 9.4.1 Meeting Meals: Meals for regular or routine meetings that are primarily social in nature or could be conducted outside of meal or break periods during normal working hours.
- 9.4.2 Personal Expenses:
- Transportation costs such as mileage, taxi fares and car rentals to places of entertainment and other non-business facilities and activities are not reimbursable.

- Commuting expenses between a Commissioner's or employee's residence and District offices are not reimbursable.
 - Keys locked in an automobile, travel insurance, personal automobile accident insurance are not reimbursable.
 - Additional expenses for extended travel or travel to alternate destinations for non-business purposes are not reimbursable.
 - Alcohol, tobacco, and drugs (recreational or medical)
- 9.4.3 Fines and Penalties: All fines, penalties, and/or forfeitures are not reimbursable. Commissioners and employees shall pay for all traffic tickets, parking citations and/or tow and storage charges issued as a result of improper operation of a vehicle.
- 9.4.4 Travel with Non-Employee: Expenses for a non-employee (e.g., spouse) traveling with any employee are not reimbursable. Receipts, which contain expenses for both the employee and the person traveling with them, must clearly indicate only the employee's expenses.
- 9.4.5 Cancelled Travel/Training: It is the responsibility of the Commissioner or employee to ensure that prepaid travel costs such as registration and airline tickets, as well as non-cancelable reservations are only incurred when travel will actually occur. Payment for expenses related to cancelled travel/training will only be made by the District upon written documentation by the Commissioner or employee, explaining the circumstances surrounding the cancellation certifying that the travel cancellation was due to a business necessity or personal emergency.
- 9.4.6 Frequent Flier Miles and Hotel Rewards: Commissioners and employees are responsible to ensure that they obtain a reasonable and fair price for airline tickets and lodging. All personnel are prohibited from purchasing tickets or lodging from a particular airline or hotel chain without regard to price in order to have frequent flier miles or hotel rewards credited to their personal account.
- 9.4.7 Third Party Reimbursements: When reimbursement by third party is available for part or all travel expenses incurred, Commissioners and employees are required to seek reimbursement. Third Party reimbursements for District travel expenses shall be remitted to the District. Employees shall comply with this Policy and submit reimbursement for actual expenses incurred even though the District may be receiving full or partial reimbursement from a third party.
- 9.4.8 Travel Expenses Between Meetings: Commissioners and employees who wish to stay between two individual meetings held in the same area (or general region) will generally not be reimbursed for meals, lodging and associated travel expenses between the conclusion of one meeting and the beginning of the next. Partial or full reimbursement will be considered if the expenses do

not exceed the general mileage reimbursement or travel expenses that would have been incurred traveling home from the first meeting and travel to the second meeting.

9.5 Cash Advance for Travel Expenses

9.5.1 The following regulations apply to advance travel requests:

- Travel advance requests shall be made on a form prescribed by the Auditor. The advance shall be issued not more than five days prior to commencement of the authorized travel period except under unusual circumstances as approved by the Auditor.
- Advances shall be reconciled for in accordance with this Policy by submitting a Reimbursement Form with required documentation. Excess travel advance funds shall be returned to the District within five working days following the completion of travel. Failure to submit timely travel reimbursements shall render the individual receiving the advance in default and personally liable for the full unpaid amount, plus interest at ten (10) percent per annum from the date of default until repaid. The District shall thereupon have a prior lien against and right to withhold funds payable or to become payable by the District to such Commissioner or employee.
- Under no circumstances shall any travel advance be considered as a personal loan to any individual, and any unauthorized expenditure of any advance shall be deemed a misappropriation of public funds.

10. Mobile Phone or Device Stipend Policy

10.1 Objective

- 10.1.1 The District recognizes the need to provide efficient, cost-effective communication equipment and services to further its business goals. There is a recognized advantage to be able to communicate with District employees during normal working hours, and in some instances, when an employee is away from the workplace. Employee use of their personal mobile phone or device for business purposes is identified as a means of providing such services and shall be limited to the requirements and specifications contained in this guideline.
- 10.1.2 To facilitate this communication and upon proper approval, the District will provide a reimbursable employee expense stipend for an approved list of employees who are designated to use employee-owned mobile phone or device for District business. The intent of the stipend is to offset the cost of employees using their personal mobile phone or device for this purpose.

10.2 Authorization

- 10.2.1 The authorization and assignment of employees to the mobile phone or device stipend list is limited to those instances where there is a demonstrated need for such equipment or service and a minimum regular average business usage of 30 or more minutes per month, or in some required instances, for less than 30 minutes as specifically authorized by the District.
- 10.2.2 Employees authorized for data reimbursement must have a demonstrated business need to access email and business calendar from District servers. Examples of those needs include:
- Improved safety
 - Increased productivity and/or efficiency
 - Improved emergency preparedness
 - Situations where communications cannot be provided by any other less costly or reasonable means.
- 10.2.3 The District's Department Directors will approve the list of employees to receive an expense stipend in accordance with this policy.

10.3 Responsibilities

- 10.3.1 The stipend amount calculated for each employee is intended to provide a monthly reimbursement for the appropriate amount of business use on his or her personal mobile phone or device. Authorized employees will be required to sign a Mobile Phone or Device Usage Stipend Agreement and are responsible for entering into a contract for mobile service with the provider of their choice. The District will not be responsible for an employee's personal mobile phone or device and/or associated service, regardless of any type of

use, including inappropriate charges, a damaged, lost or stolen phone, or delinquent payments.

- 10.3.2 Each employee authorized for a stipend will immediately report the mobile phone number to the Auditor and will carry the phone when it is reasonably determined that business necessity may require it or at times when normal communication links are not available.
- 10.3.3 The District retains the right to periodically review the list of employees approved for a mobile phone or device stipend and to review stipend levels for appropriateness. The District may change or cancel such stipend as deemed reasonable due to business usage and/or employee work-related responsibilities. Such stipend adjustments will be by approval of the Auditor.
- 10.3.4 The District strictly prohibits conducting business through text messages. All District business must be conducted through a District approved application and in accordance with the District's Public Records Act Policy and Records Management Policy.
- 10.3.5 In the event of a Public Records Request (PRR) and upon notice from the District, an employee must search their files, devices, and accounts for records responsive to a relevant PRR and produce any public records (emails, text messages, instant messages, and any other type of data) to the District. Where an employee withholds personal records from the employer, he or she must submit an affidavit with facts sufficient to show the information is not a "public record" under the Public Records Act.

11. Vehicle Use Policy

11.1 Objective

The purpose of this policy is to ensure the safety of those employees who drive District Vehicles and to provide guidance on the proper use of District Vehicles and personal vehicles used for District business.

11.2 Driver Criteria & Administration

Vehicle accidents are costly, but more importantly, they may result in injury to District employees or the general public. It is the driver's responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. As such, the District endorses all applicable state motor vehicle regulations relating to driver responsibility. The District expects employees to drive in a safe and courteous manner pursuant to the following safety rules. The attitude you take when behind the wheel is the single most important fact in driving safely.

- 11.2.1 Only District employees or contract employees are authorized to operate District Vehicles.
- 11.2.2 Employees must have and maintain a valid and current driver's license when operating any vehicle used for District business. Employees that operate commercial vehicles must have the proper Commercial Driver License (CDL) endorsements and appropriate training.
- 11.2.3 The District may revoke the authority of an employee to operate a District Vehicle due; to patterns of unsafe driving, traffic violations, improper or unauthorized use, suspended or invalid license, inadequate personal coverage or uninsurable by the District's insurance company, or who fail to meet the criteria stated in this policy, or is considered to be in violation of the intent of this policy. Where this authority is revoked for employees for whom driving is an essential part of their job duties, the employee may be subject to discipline up to and including termination. In addition, the operator will be responsible for damage and/or costs that occur due to an unauthorized use of a District Vehicle.
- 11.2.4 Motor Vehicle Reports will be obtained for all drivers prior to employment and annually thereafter for Commercial Driver License (CDL) holders.
- 11.2.5 District Vehicles may be examined for items missing, contraband, or for any misuse of the vehicle. Contraband may include any items not authorized by the District.
- 11.2.6 District Vehicles may be equipped with an Automatic Vehicle Location (AVL) device, the purpose of which is to better manage and dispatch crews and to safeguard our employees. Records of these devices may be used to ensure compliance with the policy.

11.3 Operating Standards

11.3.1 General Guidelines

- Drivers must become familiar and observe all state and local laws, and District procedures governing the safe and proper operation of vehicles.
- Employees driving District Vehicles are always in the eye of the public and a positive public perception is an important part of an employee's job responsibilities and should be considered as such. As a representative of the District, he/she is expected to avoid any appearance of inappropriate use or behavior while operating a District Vehicle.
- District Vehicles may not be used for any purpose or parked in any area that would diminish the character of the District, such as but not limited to bars, liquor stores, political meetings, or meeting of groups associated with hate, prejudice, or harassment.
- District Vehicles are not to be used by employees or Commissioners for material or personal gain, political campaigning, conducting an outside business, or moneymaking venture.
- The employee assigned a District Vehicle is responsible for ensuring the interior and exterior of the vehicle are kept clean.

11.3.2 Non-District passengers will be allowed for District business purposes. Non-District passengers for other purposes will be allowed by prior approval of the employee's supervisor.

11.3.3 Take-Home Vehicles

- Employees that are on call on a 24-hour basis may be allowed to take a District Vehicle home so they can respond as soon as possible. Such employees must obtain approval from their supervisor.
- The primary use of Take-Home vehicles is for District business, however they may be used to commute to and from work and for "*de minimis*" Personal Use.

11.3.4 Personal Vehicle Used for District Business

- Employees are encouraged to use District Vehicles for District business; however, use of an employee's personal vehicle for District business is permitted.
- Driving a personal vehicle for District business does not relieve an employee of the responsibilities of proper vehicle operation and public perception. Employees must comply with all laws and adhere to District procedures governing the safe and proper operation of vehicles.
- Employees must carry the legally required insurance for their personal vehicle and be eligible for the District's insurance. The District provides liability and physical damage coverage for personal vehicles used for

District business. This coverage is primary to the employee's insurance policy.

- If an employee becomes unlicensed or uninsured, and is therefore not covered by the District's insurance, the employee is not authorized to operate a personal vehicle for District business.
- Use of a personal vehicle to commute to and from work is not considered official business of the District.
- Use of a personal vehicle when dispatched into work or when responding to a work-related situation after normal working hours shall be considered official business of the District.
- Employees who use a personal vehicle for District business will be reimbursed for mileage incurred, with the exception of after-hour callouts. Reimbursement shall be accordance with the Travel and Training Reimbursement Policy or the Collective Bargaining Agreement.

11.4 Safety Guidelines

- 11.4.1 Drivers are responsible for the safe operation and condition of the vehicle they are driving and should be familiar with the vehicle safety equipment. District Vehicle problems or concerns should be promptly report to the Fleet Maintenance Supervisor.
- 11.4.2 Drivers and all occupants must wear a seatbelt at all times. All seatbelts need to be fastened before the vehicle is put in motion.
- 11.4.3 Drivers shall comply with Federal, State, and local mobile phone usage laws when operating vehicles.
- 11.4.4 No driver shall operate a vehicle when his/her ability to do so safely has been impaired by illness, fatigue, injury, or prescription medication.
- 11.4.5 Driving a District Vehicle while under the influence of intoxicants and other drugs (which could impair driving) is forbidden.
- 11.4.6 Drivers are responsible for the security of District Vehicles, and their contents, assigned to them. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended.
- 11.4.7 No animals are allowed inside a District Vehicle at any time [unless required by law](#).
- 11.4.8 Smoking in District Vehicles is strictly prohibited.
- 11.4.9 The picking up of hitchhikers is not permitted.
- 11.4.10 Defensive Driving
 - Drivers are required to maintain a safe following distance at all times. Drivers should keep a two second interval between their vehicle and the vehicle immediately ahead. During slippery road conditions, the following distance should be increased to at least four seconds.

- Drivers must yield the right of way at all traffic control signals and signs requiring them to do so. Drivers should also be prepared to yield at any time. Pedestrians and bicycles in the roadway always have the right of way.
- Drivers must observe all posted speed limits including reduced speed, construction zone and road hazard warnings. In adverse driving conditions, reduce speed to a safe operating speed that is consistent with the conditions of the road, weather, lighting, and volume of traffic.
- Turn signals must be used to show where you are heading, while merging into traffic and before every turn or lane change.
- When passing or changing lanes, view the entire vehicle in your rear-view mirror before pulling back into the lane.
- Be alert of other vehicles, pedestrians, and bicyclists when approaching intersections. Never speed through an intersection on a caution light. When the traffic light turns green, look both ways for oncoming traffic before proceeding.
- When waiting to make left turns, keep your wheels facing straight ahead. If rear ended, you will not be pushed into the lane of oncoming traffic.
- When stopping behind another vehicle, leave enough space so you can see the rear wheels of the car in front. This allows room to go around the vehicle if necessary, and may prevent you from being pushed into the car in front of you if you are rear-ended.
- Avoid backing where possible, but, when necessary, keep the distance traveled to a minimum and be particularly careful.
- Check behind your vehicle before backing.
- Back to the driver's side. Do not back around a corner or into an area of no visibility.

11.5 Reporting Requirements

11.5.1 Traffic Violations

- Vehicle operators are personally responsible for any citations issued to them or the vehicle they are operating, including moving and non-moving violations.
- Citations issued for traffic violations that occur while operating a District Vehicle or personal vehicle used for District business, must be reported to the employee's supervisor within 24 hours of receiving the citation.
- Employees holding a Commercial Driver's License (CDL) must report all citations for traffic violations to the employee's supervisor within five (5) working days of receiving the citation, whether or not the citation is received while on District business.

- All citations issued for DUI must be reported to the employee's supervisor prior to the employee resuming work or operating a vehicle for District business.
- Any employee who has a driver's license or insurance revoked or suspended, or otherwise becomes invalid, must immediately notify his/her supervisor before returning to work the next business day, and **immediately discontinue operation of any vehicle being used for District business.**
- Information regarding traffic violations will be provided to Human Resources and placed in the employee's file.

11.5.2 Accidents

- Employees must immediately notify their supervisor of any accident, theft or property damage involving a District Vehicle or personal vehicle used for District business, regardless of the extent of damage or lack of injuries.
- Employees must stay at the scene of the accident until a supervisor or their designee authorizes the employee to leave the accident site.
- Employees are expected to cooperate fully with authorities in the event of an accident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.
- At the discretion of their supervisor, employees may be required to be tested for the presence of drugs and/or alcohol in accordance with the District's Employee Handbook.
- The supervisor and law enforcement personnel, if responding, will investigate the cause of the accident. Should the results of the accident indicate the employee was at fault, the employee may be subject to discipline, up to and including termination.
- Employees involved in an accident must complete and submit the Accident While on Duty and Vehicle Accident Forms to their supervisor as soon as possible, but not later than 48 hours after the incident.

12. Vehicle Replacement Policy

12.1 Objective

- 12.1.1 The purpose of this policy is to provide general guidance for vehicle replacement that will obtain the maximum use of the vehicle while providing prudent fiscal management and to ensure safe operation, compliance with the District's insurance policy and acceptable public image.
- 12.1.2 Operating a fleet of vehicles requires balancing the costs of purchasing vehicles against repair costs and operational downtime that occur when vehicles are held for an extended period of time. As vehicles age, their residual value declines. The purpose of this policy is to set an optimum level for vehicle replacements, which minimize the overall costs of operating the District fleet, while at the same time, ensuring that core functionality is not unnecessarily jeopardized. The Fleet Foreman together with the Fleet Department Director base these decisions on the type of usage, repairs and maintenance history and anticipated needs for repair.
- 12.1.3 This Vehicle Replacement Policy was prepared in order to optimize the investment in the District's vehicles and work equipment.
- 12.1.4 A major difference between construction and passenger vehicles is the way vehicles are used. Construction vehicles often sit in one location with the engine idling or running hydraulics for work purposes for extended periods of time. Therefore, the engine usage is much higher than would be expected based on the number of miles on the odometer.
- 12.1.5 All vehicles owned and operated by the District are considered emergency response vehicles, and are therefore exempt from the fuel requirements of RCW 43.19.648.

12.2 Vehicle Replacement Guidelines

- 12.2.1 In projecting vehicle replacements for budget planning, vehicle age, mileage, operating time maintenance costs, depreciation, market value and down time must be considered. As a general guideline, vehicles will be replaced on the following schedule:
- 12.2.2 Passenger vehicles:
 - Gasoline powered, [electric powered \(EV\)](#), or hybrid passenger vehicles shall be reviewed for potential replacement at no more than ten years or 100,000 miles, whichever comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.
 - Diesel powered passenger vehicles shall be reviewed for potential replacement at no more than ten years or 150,000 miles, whichever

comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.

12.2.3 Trucks or Aerial Lifts with less than 26,000 lbs. GVW:

- Gasoline powered vehicles shall be reviewed for potential replacement at no more than ten years, 100,000 miles, accumulative PTO hours of 5000 or total engine hours/idle time of 7500, whichever comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.
- Diesel powered vehicles shall be reviewed for potential replacement at no more than ten years, 150,000 miles, accumulative PTO hours of 5000 or total engine hours/idle time of 7500, whichever comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.

12.2.4 Trucks with greater than 26,000 lbs. GVW:

- If one or more of the following criteria exceed their maximum allowable limit, the vehicle shall be reviewed for replacement: no more than ten years with no regard to mileage, accumulative PTO hours exceeding 5000 or total engine hours/ idle time exceeding 10,000 whichever comes first, taking into consideration whether the vehicle is deemed fit for service by the District's fleet department or Department Director.

12.2.5 Additionally, vehicles shall be replaced or removed from the District's fleet when:

- the cost of repair is estimated at 50% of the vehicle's "Blue Book" fair market value.
- the vehicle has a history of excessive repairs but has not reached the mileage, age, or time component of the standard replacement cycle if the District's fleet department or Department Director deems it unfit for service.
- the vehicle was involved in an accident and the total cost of repair is greater than 50% of the vehicle's fair market value.
- the vehicle is not capable in normal operation to meet current State or Federal laws, current job function or for safety considerations. Vehicles replaced for this reason shall be replaced based on priority, keeping the safety of District employees as the highest priority.

12.2.6 The District will strive to purchase acceptable, standard vehicles from a state contract or other cooperative agreement to minimize costs.

12.2.7 All vehicles shall be painted white as the standard fleet color. All line crew vehicle's front hoods shall be painted black to reduce glare.

12.2.8 When any Department requires additional new vehicles (as opposed to replacements) requests with justification shall be made to the General Manager.

12.2.9 The District shall, if cost effective, refurbish trucks, aerial devices or lifting equipment to extend the operating life past the recommended District policy for fiscal responsibility purposes if said vehicle is deemed in "good" operating condition by the fleet department or Department Director and will cost effectively extend the life of the vehicle an additional five years of reliable service.

12.3 Equipment Replacement Guidelines

12.3.1 District equipment is used to perform specific essential functions on District projects. Most equipment is not considered a vehicle due to the nature of its design and function, but considered a capital asset powered by either a gasoline or diesel engine generally assisting a hydraulic system. This equipment will not have an odometer so replacement efforts will be determined by age, hours, PTO hours or repair costs and operational downtime that occur when equipment is held for an extended period of time. The fleet administrator bases these decisions on the type of usage, repairs, maintenance history and anticipated needs for repair.

Gasoline and diesel-powered equipment shall be replaced at no more than 15 years accumulative PTO hours of 5000, or total engine hours/duty cycle of 7500, whichever comes first, unless the vehicle is deemed fit for service by the District's fleet department or Department Director.

Commented [TK1]: Seems like Section 13 is empty.

Commented [MP2R1]: It looks like the page break caused the issue. Section 13 should be the Drone section.

13. Drone/Unmanned Aircraft Use Policy

These standard operating procedures are governed by the published rules, regulations, and authorizations of the Federal Aviation Administration (FAA) under 14 CFR Part 107, which are subject to change over time. District employees operating each District Unmanned Aircraft System (UAS) are responsible for ensuring their UAS operating processes remain in compliance with current rules, regulations, and authorizations.

13.1 Objective

This standard operating procedure is intended to ensure the safe and proper operation of Unmanned Aircraft System (UAS) flown in the National Airspace System (NAS) for Cowlitz PUD. District staff use UAS for asset inspection projects, video and still photography, as-builts, tower inspections, line of sight verification, and other District-related practices. Training flights and flight practice may also be conducted.

Safety is our first priority, including the protection of the flight crew operating the UAS, persons in the area of flight operations, and the natural environment, wildlife, and infrastructure around which we fly. All flight operations must be conducted in accordance with federal laws and regulations.

13.2 Procedures

13.2.1 Each UAS owned by Cowlitz PUD must be registered with FAA under 14 CFR Part 48.

13.2.2 A Pilot-in-Command for a Cowlitz PUD UAS must hold a current valid FAA Part 107 Remote Pilot Certificate and a valid ~~WA State -issued ID Driver's License~~;

Commented [TK3]: Changed to State issued ID as we have pilots that are not WA residents and could potentially not have a driver's license.

and must comply with all applicable training and certification requirements effective as of date of flight.

13.2.3 The remote pilot in command must report any UAS accident to the FAA according to Part 107 accident reporting guidelines.

13.2.4 Cowlitz County Airspace: Most Cowlitz County is currently (as of most recent policy effective date) designated as ~~C~~Class G (uncontrolled) airspace, including surrounding Southwest Washington Regional Airport (KLS). There are no entry or clearance requirements for Class G airspace. Unrestricted UAS operations are allowed up to the maximum Part 107 elevation with no FAA waiver or approval. Current designations shall be verified as of date of flight, as well as any current Temporary Flight Restrictions (TFRs), Notice to Air Missions (NOTAMs), and current weather for FAA compliance.

13.3 Records

13.3.1 Records relating to the operations of the District's UAS will be managed according to Washington State Records and Retention Laws. Applicable categories may include:

- Flight and Use Logs (GS2012-045) – exported from the operating software and stored in a clearly named designated file location for 4-year retention, then destruction. This category includes firmware version for the UAS (via Flight Logs) at the time of flight, as well as flight approvals in classified airspace through the Low Altitude Authorization and Notification Capability system.
- Maintenance (Major and/or Regulated) (GS2012-039) – store in a clearly named designated file location for 6-year retention (measured from date agency no longer owns asset), then destruction.
- Maintenance (Minor Non-Regulated) (GS2012-040) – store in a clearly named designated file location for 3-year retention (measured from end of fiscal year in which minor non-regulated maintenance was complete), then destruction. This category may include firmware updates for the UAS, which are included in the Flight and Use Logs mentioned above.
- Inspections/Monitoring – Regulated (Non-Environmental) (GS2012-038) – store in a clearly named designated file location for 6 years after calendar year and violations (if any) corrected (non-archival).
- Inspections/Monitoring – Non-Regulated (GS2012-037) – store in a clearly named designated file location until no longer needed for agency business (non-archival).
- Reporting/Filing (Mandatory) – Assets (GS2012-044) – store in a clearly named designated file location for 6 years after report or document submitted (Archival – Appraisal Required).
- Images and Videos captured by the UAS will be stored in clearly named folders for the specific project and handled under the appropriate retention for that project.

Records relating to UAS Pilot Certifications will be documented and managed by the District.

14. Employee Meals/Snacks for District Purposes

14.1 General Provisions

- 14.1.1 The District may provide meals/snacks to employees for business purposes. It is important to exercise prudent judgment when approving such expenses. Business related meal/snack expenses will be reimbursed in accordance with this Policy.
- 14.1.2 The Department Director or General Manager shall approve in advance all such expenses. An exception is allowed for emergency response.
- 14.1.3 The expenses will be reimbursed based on actual cost incurred. For meals, the individual amount shall not exceed the U.S. General Service Administration (GSA) rates for the Vancouver (Clark/Cowlitz/Skamania) area.

14.2 Reimbursable Meal/Snack Expenses

- 14.2.1 Business purposes include but are not limited to: General practice is to hold meetings, etc. outside normal meal hours.
- Department meetings and training
 - Working lunches
 - District committee and other meetings
 - Lunch and Learn sessions
 - On-site training classes
 - Benefits Fair
 - Board Meetings and Workshops
 - Strategic Planning sessions
 - Emergency response – storm events, etc.
 - Scheduled after-hours work
 - Recognition for work-related accomplishments, efforts
- 14.2.2 District and individual Department budgets shall be established during the annual budget process considering the nature of activities, number of employees, etc. The General Manager has authority to approve additional amounts as needed.
- 14.2.3 Tips and Gratuities: For meals purchased, a tip is allowable as long as it does not exceed 20%. Tips and gratuities for meals are included in the GSA allowance for each meal.
- 14.2.4 Annually, Cowlitz PUD provides a Christmas lunch for employees.
- 14.2.5 Annually, Cowlitz PUD holds Employee Recognition Day. The District provides breakfast and lunch for all employees.

14.3 Documentation of Expenses

14.3.1 Documentation should include:

- Approval by Director or General Manager
- Nature of business purpose
- Itemized receipt
- If meal is provided, indicate the number of employees along with GSA to support amount does not exceed GSA limits per employee – this is not required for Employee Recognition Day or Christmas Lunch

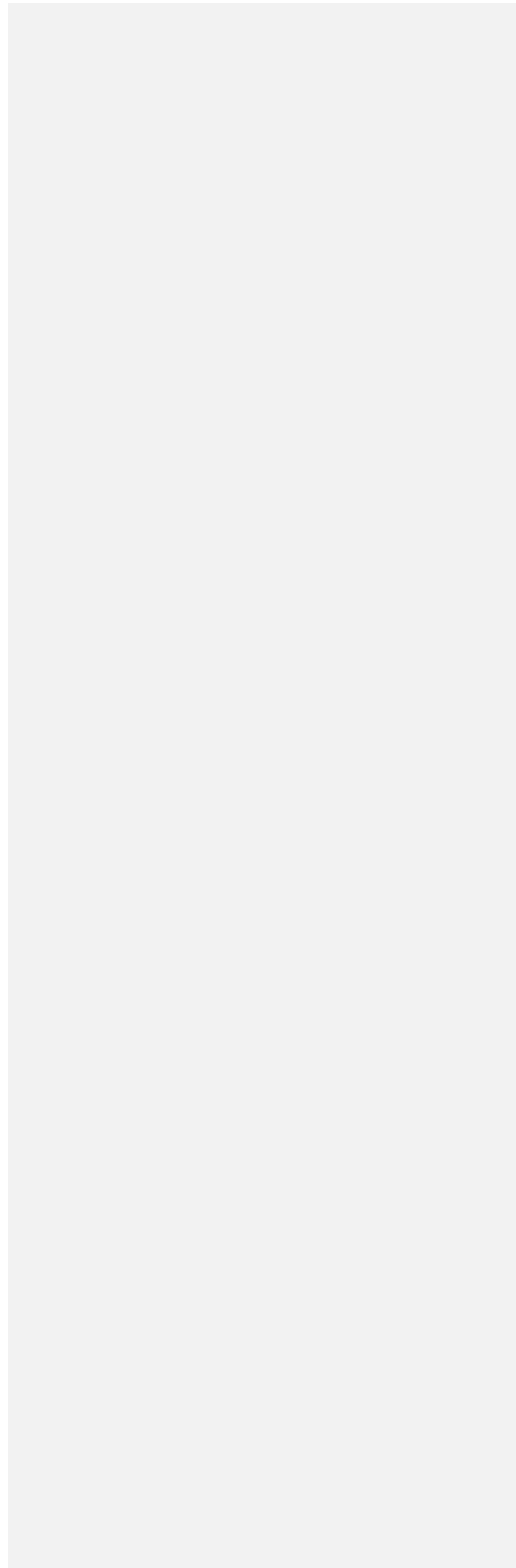
15. Board Acceptance

The Board hereby authorizes the policies included herein as of the 1~~2~~²th day of March, 202~~5~~⁴.

President

Vice-~~P~~^resident

Secretary





BUSINESS OPERATION POLICIES

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1. Preamble

These Business Operation Policies have been adopted by Public Utility District No. 1 of Cowlitz County (“District” or “Cowlitz PUD”) in the interest of efficiency, economy, good stewardship of public funds, and safety in its operations in the distribution of electricity to its customers. The Policies are subject to revision by the Commission from time to time to meet these objectives. These Policies are to serve as a guide to the employees and representatives of Cowlitz PUD in their performance of the day-to-day business of the District. Construction details and specifications are written to conform with the present State and National laws governing such matters and are not intended to violate any State, National or Municipal ordinances or laws. Should any new laws or ordinances be adopted that conflict with these Policies, the policies shall be considered to be amended accordingly.

2. Definitions

Special terms when used in these policies shall have the following meanings:

Business Continuity: The process of developing advance arrangements and procedures that enable an organization to respond to a natural or man-made disaster in such a manner that critical business functions continue with prioritized levels of service.

Business Continuity Plan (BCP) Coordinator: The District's IT Manager.

Business Interruption: Any event, whether anticipated or unanticipated, which disrupts the normal course of business operations at any of the District's facilities. (Example: power failure, earthquake, data breach, fire, flood, etc.)

District Business: Any activity performed at the direction, or for the benefit, of the District, not including an employee's normal commuting to and from work.

District Vehicle: Any motorized vehicle or motorized equipment owned, rented, or leased by the District.

General Services: Services such as consulting or technical services provided by a skilled professional that do not otherwise fall under Public Works or Professional Services.

Personal Use: The use of a District Vehicle to conduct an employee's personal affairs, not related to District business.

Professional Services: Services provided by engineers and/or architects.

Property Damage: Injury to real or personal property.

Public Works: All work, construction, alteration, repair, or improvement, other than Ordinary Maintenance, executed at the cost of the District, or which is by law a lien or charge on any property therein.

Ordinary Maintenance: Work not performed by contract and that is performed on a regularly scheduled basis – such as daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year – to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.

Power Take Off (PTO): A term used with vehicles and equipment. The PTO works outside the vehicle operation but needs the motor as a power source. The PTO supplies pressure to the hydraulic system which runs multiple items on the vehicle such as the capstan, aerial lift, digger, etc.

Residual Value: The value returned on a vehicle's eventual sale.

"Same kind of materials, equipment or supplies" shall mean substantially identical items.

Take-Home Vehicle: A District Vehicle assigned to be driven to and from an employee's place of residence and their assigned work location.

Vehicle: All on-road and off-road means of motorized transportation and work equipment used in the daily operation and maintenance activities of the District distribution and transmission system.

3. Business Continuity Policy

3.1 Objective

The purpose of this policy is to ensure that the District's information and operations are protected against Business Interruptions, including large-scale disasters. To ensure recovery of critical services following a disruption or disaster, risks to critical functions will be identified, and effective preventative and responsive recovery strategies will be developed, implemented, and regularly tested. The District is committed to mitigating the impact of an interruption of critical business functions and facilitating the resumption and safe delivery of electricity to its customers.

3.2 Declaration of an Emergency

In the event of a Business Interruption, the District will:

- 3.2.1 Declare - Issue a formal Declaration of Emergency based on this criterion by the General Manager or designee, provided the General Manager may declare an emergency and waive competitive bidding if necessary to address the emergency pursuant to Section 4.4.2.
- 3.2.2 Ratify - The Board of Commissioners (the Board) of the District shall ratify such Declaration of Emergency as soon as practical and, as such, may need to waive notice of open meeting requirements as provided by law.
- 3.2.3 Terminate - The Board shall terminate such Declaration of Emergency when emergency conditions have subsided.

3.3 Administration

- 3.3.1 Overtime pay - Under a Declaration of Emergency by the District, overtime pay is authorized as follows:
 - Exempt employee overtime pay is authorized for employees determined by the General Manager necessary to address the emergency, at one-and a half times base pay, except that overtime pay for Director Level and above is not authorized.
 - Non-exempt/non-bargaining employee overtime pay shall continue to be paid under standard administration policies.
 - Bargaining employee overtime shall continue to be paid under terms contained in the Collective Bargaining Agreement.
 - All overtime shall be closely managed by supervisory personnel to ensure that overtime compensation is in support of prompt restoration of service or in direct connection with the Business Continuity Planning Program (the Program).
- 3.3.2 Meals - Under a Declaration of Emergency by the District, meals are provided or reimbursed as follows:

- Non-bargaining employees shall be provided or reimbursed meals while at work in accordance with the Travel and Other Expenses Reimbursement Policy.
- Bargaining employees shall continue to be compensated under terms contained in the Collective Bargaining Agreement.

3.3.3 Purchasing and procurement - Under a Declaration of Emergency by the District, the District will authorize exceptions to the District’s Purchasing and Procurement Policies as follows:

- The District has developed contracting and procurement policies intended to comply with Federal, State, and local laws, and with the Federal Emergency Management Agency (FEMA) procurement requirements. When an emergency is declared, these policies are followed to the extent they are consistent with legal requirements in existence at the time of the emergency.
- The General Manager will balance the need for prompt restoration of services with FEMA reimbursement rules.
- The General Manager may delegate procurement authority in writing.
- The General Manager may enter into a mutual aid agreement with other utilities that will provide the basis for payment to other utilities.
- The General Manager may suspend competitive bid requirements and award all necessary contracts to address the emergency under the provisions of RCW 39.04.280, as more fully described in Section 4.4.2.

3.4 Responsibilities

3.4.1 Board of Commissioners

- Review and approve - The Board of Commissioners are responsible for reviewing and approving the District’s Business Continuity Policy annually.

3.4.2 Incident Response Team

- Integrate BCP best practices - The General Manager and Directors shall support a culture where business continuity best practices and recovery strategies are integrated into the District’s daily operations.
- Make decisions - The Incident Response Team shall act quickly and decisively during a crisis.

3.4.3 Business Continuity Plan (BCP) Team

- Provide oversight - The BCP Team is responsible for the oversight and management of the Program. The BCP Team includes team leads from each Recovery Team and is led by the BCP Coordinator.
- Assess and update the Program - The assessment and updates will consist of:

- Performing a threat assessment to identify and mitigate risks to critical functions;
- Performing a business impact analysis to document and understand the interdependencies among business processes;
- Identifying critical applications, systems, and data;
- Prioritizing key business functions; and,
- Routine maintenance of the Program to keep the information current due to changes in the recovery strategy, business requirements, personnel, or technological changes.
- Train employees - Training will consist of:
 - Ensuring employee awareness for the need of business continuity planning;
 - Reviewing the procedures for reporting incidents and activating the Program;
 - Defining roles and responsibilities of Recovery Team members and providing procedures to follow in the event of a disruption of service or a disaster;
 - Documenting and distributing copies of the Program to employees; and,
 - Coordinating testing of the Plans between the Recovery Teams and IT.

3.4.4 Recovery Teams

- Develop recovery plans - In coordination with the District's Technology Recovery Team, Recovery Teams must develop a Plan that provides for contingencies to restore information and systems if a disaster occurs. Each Recovery Team is responsible and accountable for its' own Plan consistent with and in support of the overall Program. Recovery Teams that utilize third party vendors shall integrate their Plan, including off-site storage of data, with the service providers' plans.
- Maintain and update Plans annually – Recovery Teams shall update their Plan at least annually and following any significant change to their environment.
- Test Plan annually – Recovery Teams are required to test their Plan at least once a year. The Recovery Team shall correct any deficiencies revealed by the test and report them to the BCP Coordinator.

3.4.5 Technology Recovery Team (in addition to the above Recovery Team requirements)

- Develop technological recovery strategies - In conjunction with each Recovery Team, the Technology Recovery Team is responsible for ensuring all backup and recovery strategies for both business and SCADA networks.

4. Procurement and Purchasing Policy

4.1 Objective

It is the policy of the District in its procurement and purchasing functions to obtain necessary supplies, material, and equipment and to enter into Public Works and other services contracts at the lowest total cost, with specific consideration given to the principles of quality, functionality, overall cost-effectiveness, and timeliness. Above all, District employees must act as good stewards of public funds.

All procurement activities by the District shall comply with the applicable laws and regulations of the State of Washington, this Policy and prudent utility practices. In the event of statutory or regulatory changes, this Policy shall be amended or revised by action of the Commissioners, as necessary. All procedures related to this Policy shall be approved by the General Manager and implemented in a manner to give effect to applicable legal requirements.

4.2 Procurement Processes

Through this Policy the Board of Commissioners authorize the General Manager or designee to approve purchases using the following methods:

- 4.2.1 Purchases and contracts estimated less than the limits set forth by RCW 54.04.070(1) and (2) may be carried out without a contract or a competitive bid process.
- 4.2.2 Purchases and contracts estimated above the limits set forth by RCW 54.04.070(1) and (2) may be accomplished by a competitive bid process where an advertisement for bids is published and bids are opened publicly, evaluated, and awarded pursuant to RCW 54.04.080, subject to any exceptions provided by law.
- 4.2.3 The Small Works Process may be used to award contracts, as provided by RCW 54.04.070(4) and RCW 39.04.155.
- 4.2.4 The alternative bid procedure authorized by RCW 54.04.082 and RCW 39.04.190 requiring three quotes from vendors on the District's existing vendor list may be used for purchases of the same kind of materials, equipment, or supplies.
- 4.2.5 For obtaining Professional Services, the process described in RCW 39.80 shall be used to contract with the most qualified firm for the work contemplated, as determined by District staff.
- 4.2.6 Procurement of General Services shall be obtained by practices and procedures established by the District, making an effort when possible to obtain at least three quotes/proposals to determine the most advantageous option.

- 4.2.7 Purchases and contracts may also be accomplished through intergovernmental cooperative purchasing agreements. The District may enter into such cooperative purchasing agreements for this purpose. The General Manager is authorized to enter into Interlocal Agreements pursuant to RCW 39.34.030 consistent with the financial authority limits provided in section 4.6 below.
- 4.2.8 Contracting for third-party administrator services for self-insurance programs shall comply with the requirements of WAC 200-110-100. Entering a contract for services shall not relieve the District of its ultimate governing, managerial and financial responsibilities. The procedures for contracting with a third-party administrator shall include, as a minimum:
- Conduct a competitive solicitation process (may involve benefits consultant) – Factors to consider include but are not limited to customer service; benefit and operational procedures; legal, compliance and reporting; technology
 - Contract with successful firm shall:
 - a. Ensure WAC 200-110-150 conflict of interest requirements are met, including that each contract shall require a written statement be submitted to the program on a form provided by the State Risk Manager providing assurance that no conflict of interest exists prior to acceptance of the contract by the self-insurance program.
 - b. Include complete written description of the services to be provided, remuneration levels, contract period and expiration date;
 - c. Provide for the confidentiality of the program's information, data and other intellectual property developed or shared during the course of the contract;
 - d. Provide for the program's ownership of the information, data, and other intellectual property developed or shared during the course of the contract;
 - e. Provide for the expressed authorization of the self-insurance program, consultants to the program, the state auditor, the state risk manager, or their designees, to enter the third-party administrator's premises to inspect and audit the records and performance of the third-party administrator which pertains to the program and to obtain such records electronically when audit travel costs can be eliminated or reduced;
 - f. Require the compliance with all applicable local, state, and federal laws;
 - g. Establish a monitoring and acceptance procedure to determine compliance with third-party administrator contract requirements; and
 - h. Establish indemnification provisions and set forth insurance requirements between the parties.

4.2.9 For procuring electronic data processing and telecommunications systems, the District may use the alternative RFP process as described in RCW 39.04.270, where the award shall be made to the vendor with the product that best suits the needs of the District, as determined by District staff, considering price and other factors.

4.2.10 The District may utilize any other method of procurement allowed by law and approved by the General Manager.

4.3 Single Source of Supply

Pursuant to RCW 39.04.280, the Board of Commissioners may waive competitive bidding by resolution. This is applicable when the purchase is clearly and legitimately limited to a single source of supply, such as but not limited to the following:

- District employees have conducted a screening process whereby a purchase of a specific product is justified;
- District employees can draft legitimate specifications to which only one vendor can successfully respond;
- The product is available only through one manufacturer or distributor; or
- The vendor certifies that the District is getting the lowest price it offers anyone.

4.4 Other Exceptions to Competitive Bidding

4.4.1 The District may also waive competitive bidding requirements under RCW 39.04.280 for purchases involving special facilities or market conditions, purchases in the event of an emergency, and purchases of insurance or bonds. Except in the case of an emergency, a waiver of competitive bidding shall be approved by a resolution of the Board before the contract is awarded. The resolution shall contain the factual basis of the proposed waiver.

4.4.2 If an emergency exists, the General Manager (or Acting General Manager) may declare that an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the District to address the emergency situation. A written finding of the existence of an emergency must be made by the General Manager and entered into record no later than two weeks following the award of the contract. For purposes of this section “emergency” means unforeseen circumstances beyond the control of the District that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. RCW 39.04.280(3).

4.5 Procedures

All procurement and the bidding/awarding of contracts shall be completed in accordance with this Policy and the District’s current Purchasing Procedures. Included

in the Purchasing Procedures are step-by-step instructions for accomplishing purchases described in Section 4.2 above, as applicable.

4.6 Financial Expenditure Authority

The General Manager or designee is authorized to approve any expenditure or contract, including change orders, included in the Board-approved operations and capital budgets and up to \$200,000 for unbudgeted items consistent with District procedures and applicable procurement law. Other District personnel are authorized to approve budgeted expenditures and contracts up to their signature authority (exceptions with General Manager approval include budgeted power costs, payroll and related liabilities, healthcare claims and state and local taxes). Directors are authorized to approve unbudgeted items up to \$10,000. Board authorization is required for unbudgeted items in excess of \$200,000 and budgeted expenditures and contracts consistent with District procedures and applicable procurement law. The General Manager shall review and set not less than annually the signature (expenditure) authority levels of District personnel up to the amount of \$100,000. Periodically throughout the year, the Director of Accounting/Finance will provide actual year-to-date expenditures compared to budgeted amounts and/or annual forecasted expenditures compared to budgeted amounts for Board of Commissioner review.

4.7 Work to be Performed by District Employees

As provided by RCW 54.04.070(2), instead of contracting work, the District's employees may perform the work which is an accepted industry practice under prudent utility management. This is limited to projects with a total cost of materials not to exceed \$300,000, excluding items considered as equipment. The statute defines "equipment" as including but not being limited to conductor, cabling, wire, pipe, or lines used for electrical facilities.

- 4.7.1 "Accepted industry practice" is work typically performed by District employees, or work which District employees are capable of performing in the regular course of utility business.
- 4.7.2 For purposes of this section, "equipment" includes any item regularly stocked in the District's warehouse, including but not limited to poles, conduit, conductor, hardware, etc.
- 4.7.3 For purposes of this section, "materials" are tangible components of a project, other than equipment.
- 4.7.4 A "project" is work that can be completed and energized or operational on its own. It can be part of a larger project that takes place over an extended period of time, so long as it can be operational on its own.
- 4.7.5 A "phase" of a project is work that is not operational on its own after completion and requires other work to be performed to be operational.

4.8 Legal Review

When deviating from the normal purchasing procedures or when special circumstances occur, the District's General Counsel shall be consulted to assure the District maintains compliance with applicable laws. Additionally, contracts, other than the District's pre-approved contract forms, and all documents encumbering or conveying an interest in real property shall be provided to the District's General Counsel for review and approval.

4.9 Bid Opening Process

At the time and place stated in the Advertisement for Bids or in the small works bid packet, the bids shall be opened, read aloud, and recorded. This meeting shall be attended by an appropriate level of District staff members to witness and record the bids, preferably the Purchasing Manager, Sr. Procurement Coordinator, Risk Compliance Manager, Project Manager, and any of the bidders or other members of the public that wish to attend. The Purchasing Manager, or designee shall be the official timekeeper for the bid opening and determine the timeliness of all bids. For bid processes not requiring sealed bids, quotes or bids may be obtained over the phone or by email.

4.10 District Credit Card Purchases

The preferred method of purchase by the District is by Purchase Order/Invoice or expense reimbursement through the accounts payable process. However, whereas certain transactions are best executed by credit card, District credit cards will be issued to employees as determined necessary. The cardholder shall be empowered to make credit card purchases as authorized by an employee with the appropriate expenditure level for the purchase. The cardholder is responsible for matching the purchase receipts (each signed by an employee with the appropriate signature authority) to the credit card statement and coding each purchase with the appropriate department and budget codes. District credit cards shall not be used for personal expenditures or purposes.

5. Surplus Policy

5.1 Objectives

- 5.1.1 This Policy shall apply to the disposition of the District's works, plants, systems, utilities, and properties (real and personal) which (1) have become unserviceable, inadequate, obsolete, worn out or unfit to be used in the operations of the system, or (2) are no longer necessary, material to, or useful in such operations.
- 5.1.2 The disposition of an asset shall be done using Chapter 36.34 RCW as a guideline, in consideration of the best interests of the District and its customers, and in the most cost-effective manner.

5.2 Responsibilities and Procedure

- 5.2.1 District staff shall recommend to the Surplus Committee property that qualifies as surplus to the needs of the District.
- 5.2.2 The Surplus Committee is comprised of the Auditor, Purchasing Manager and Department Directors of Engineering and Operations.
- 5.2.3 As needed, the Surplus Committee shall comprise a list of surplus items along with a recommendation to the Board for disposition.

5.3 Notice and Public Hearing

- 5.3.1 Before authorizing the disposition of District property, the Board shall hold a public hearing, which may be combined with a regularly scheduled Board Meeting, to take comment from the public.
- 5.3.2 The notice shall be published at least two weeks prior to the hearing in a legal newspaper of general circulation in Cowlitz County.
- 5.3.3 The notice shall specify the date, time, location, and purpose of the hearing and shall generally describe the property being considered for disposal.
- 5.3.4 A public hearing is required unless the disposal falls under one of the exceptions below:
 - when selling to a governmental agency;
 - when the District is trading in the item upon the purchase of a like item;
 - when the value is less than \$2,500 per item (net of disposal costs); or
 - when the Board, by resolution, has declared an emergency to exist.

5.4 Methods of Disposition

- 5.4.1 If the Board authorizes the disposition of District property, staff may proceed in selling or otherwise disposing of the property in any legal manner that is beneficial to the District, including, but not limited to: public auction, sealed bids, consignment, broker, or donation to a non-profit organization.

6. Employee Safety Policy

6.1 Objective

Cowlitz PUD strives to maintain and promote safety as a core value with a goal to reduce hazards to employees, customers, contractors, and visitors. To ensure a commitment to a safe workplace, employees may be awarded for their participation in safety awareness.

6.2 Safety Incentive Program

The Safety Manager is responsible for developing a Safety Award Program, to be approved by the General Manager, to encourage all employees to participate and take ownership of maintaining a safe workplace.

6.2.1 Employees will be eligible to earn safety awards, with an annual limit of \$150 per employee. Internal Revenue Service (IRS) regulations may require reporting of certain awards as compensation.

7. Educational Assistance Policy

7.1 Objective

Cowlitz PUD recognizes that the skills and knowledge of its employees are critical to the success of the District. The District encourages personal development through formal education so that employees can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within the District. Eligible employees, subject to conditions and limitations, may apply for tuition reimbursement to further their education and career potential with the District.

7.2 Eligible Employees

This program is open to full-time employees who have been employed with the District for a period of one (1) or more consecutive years, who are not under recent disciplinary action and who have maintained satisfactory work performance prior to enrolling. Part-time, temporary, limited duration, seasonal and student employees are not eligible for this program.

7.3 Degree Program or Coursework Eligibility Requirements

Degree programs or individual coursework must be related to the employees' current job and may, in part, prepare the employee for a job to which he/she could reasonably aspire during his/her tenure with the District.

Those approved for education assistance may be reimbursed up to 90% of tuition paid, net of grants, scholarships, or other tuition assistance, to an accredited institution depending on the following factors:

- 7.3.1 The extent to which the course of study will benefit the District.
- 7.3.2 The program design and quality of the educational institution.
- 7.3.3 Budgetary limitations of the District.
- 7.3.4 Job performance while attending the education program.
- 7.3.5 Recommendation of the Department Director.

7.4 Approval Process

Educational assistance approval must be received at least ninety (90) days in advance of the start date of classes. The employee and Department Director will jointly prepare an educational assistance request plan, which will include:

- 7.4.1 A written statement from the employee as to how the District will benefit.
- 7.4.2 A written statement from the Department Director endorsing the employee.
- 7.4.3 Description of the education plan with degree to be obtained, if applicable, and a list of required courses and elective courses.
- 7.4.4 Dates of enrollment.

7.4.5 Cost of tuition.

7.4.6 Name of educational institution. (Must be an accredited institution.)

Before employee enrolls in approved courses, he/she must submit each term's classes for approval using the Pre-Enrollment Authorization for Tuition Reimbursement Form. This must include the class registration with the name of the course and tuition cost.

Human Resources will make the determination for approval for the educational assistance program and the related degree program with input by the Department Director.

7.5 Reimbursement

Within thirty (30) days of course completion, the employee must submit to the Human Resources Manager the official transcript from educational institution indicating course and grade received for the course. The employee must receive at least a grade of "B", or "pass" when a "pass/fail" grade is used by the institution to receive reimbursement from the District.

7.6 Limitations

7.6.1 As noted above, reimbursement for approved courses is limited to tuition. Tuition does not include the following fees and expenses (not intended to be an all-inclusive list):

- Textbooks;
- Campus fees;
- Supplies, equipment, or other course materials;
- Lab fees;
- Technology fees;
- Student Service fees;
- Student Wellness fees;
- Instructional fees;
- Required software;
- Application fees;
- Medical Insurance;
- Testing fees; and
- Travel, lodging and meals

7.6.2 All costs not identified in this policy are the responsibility of the employee.

7.6.3 Other limitations include (unless approved by the General Manager):

- A law degree;
- Ph.D. degree programs; and
- Those employees who have already obtained a graduate or undergraduate degree that was reimbursed by the District.

7.7 Payback Provision

- 7.7.1 As a condition of educational assistance, the employee shall agree that if he or she elects to leave District employment or is terminated for cause, the employee will repay the District per the schedule below.

Voluntarily Resigns or Terminated for Cause	Percentage of tuition to be remitted back to the PUD
Within 12 months of completing the course/program	90%
Within 13 to 24 months of completing the course/program	75%
Within 25 to 36 months of completing the course/program	50%
Within 37 to 48 months of completing the course/program	25%

7.7.2 Pay back of tuition reimbursement will be deducted out of the employee's final paycheck upon separation. If the final paycheck does not have enough funds to cover the remaining tuition reimbursement balance the District's accounting department will bill the separated employee for the remaining balance.

8. Employee Recognition Policy

8.1 Objective

To establish procedures and guidelines under which Cowlitz Public Utility District (the District) funds can be utilized for the purpose of employee recognition.

8.2 Definition of Employee Recognition

“Employee recognition” is a benefit provided to employees, and means any award, token of appreciation, prize, meal, entertainment, event, or similar recognition that is specifically to promote good will among District employees; foster a sense of pride in affiliation with the District; promote safety, productivity, reliability, efficiency, dedication, and/or commitment to the community that the District serves; or generate cost savings for the District. It is the intent that the District benefits from this policy by encouraging and supporting conduct on the part of employees that benefits the District as an organization.

8.3 Expenditure of Funds

8.3.1 The District or its individual departments or work sections may, subject to budgetary authority, expend funds for the purpose of employee recognition.

8.3.2 The expenditure of funds for a token of appreciation, prize, plaque, award, or similar item is limited to no more than \$350 per employee per year (not to include recognition of longevity, retirement, the safety incentive award program, wellness program, food purchased specifically for Department meetings, trainings, Department Lunch and Learn sessions, employee recognition day, Christmas Lunch or food purchased for employees during storm response). Beginning in the year 2021, the amount may be adjusted annually during the budget process dependent on budgetary limitations and prior year expenses. The Manager of Employee Services will be responsible for calculating the annual expenditure limit, subject to any budget restrictions.

8.3.3 The expenditure of funds for recognition of longevity of employment or retirement shall be:

- 5 Years of Service \$25.00 Gift (PUD Logo item or Gift Card)
- 10 Years of Service \$50.00 Gift (PUD Logo item or Gift Card)
- 15 Years of Service \$75.00 Gift (PUD Logo item or Gift Card)
- 20 Years of Service \$100.00 Gift (PUD Logo item or Gift Card)
- 25 Years of Service \$125.00 Gift (PUD Logo item or Gift Card)
- 30 Years of Service \$150.00 Gift (PUD Logo item or Gift Card)

When an employee retires, the District may contribute to a District hosted retirement function and/or retirement gift up to a maximum of \$250.00.

8.3.4 The General Manager, at his or her discretion, may increase the amount allowed in the previous paragraph by no more than \$100 per recognized

employee, inclusive of sales tax, shipping, and handling, engraving and other incidental costs, when he or she determines a smaller amount is insufficient under the circumstances.

- 8.3.5 The expenditure of funds for meals related to an employee recognition event must be authorized by the General Manager in advance and may not exceed GSA per diem dinner rate for the Vancouver (Clark/Cowlitz/Skamania) area for meal expenses for employees in attendance at the event. A list of the District employees in attendance at an event, along with receipts for all expenditures, will be submitted to the Manager of Employee Services.
- 8.3.6 The General Manager must approve in advance the expenditure of funds for use of facilities or related costs for the purpose of employee recognition. The General Manager, before approval of such costs, must determine that they are reasonable, and that the expenditure complies with the District's procurement policy. Where feasible, events should be held at the District facilities at no cost.
- 8.3.7 The employee will be responsible for any applicable taxes. The CFO will determine the amount of taxes to be withheld if appropriate.

8.4 Criteria for Events, Contests or Award Programs Required

- 8.4.1 Employee recognition events, contests, or award programs (excluding retirements), are subject to the following requirements:
 - The award program or contest ***must be preceded by written criteria*** which clearly delineate: 1) the rules, procedures, or basis for eligibility for the program or contest; and 2) the procedure to be used in determining the winner of the award or prize;
 - A written description of the type of award or prize which will be given must be available to all eligible employees in advance; and
 - The award program or contest must, within reason and consistent with the purpose of the program, be designed to include as many employees as is reasonable under the circumstances.
- 8.4.2 The following is a non-inclusive list of events that the District recognizes as Employee Recognition:
 - Veteran's Day recognition of District employees' service
 - Employee Recognition Day
 - Safety Program
 - Early Release for Christmas Eve and/or New Year's Eve
 - Logo Wear (i.e., hats, t-shirts, sweatshirts, jackets)
 - Spot Awards
 - Years of Service Awards
 - Meals for an employee birthday, special life event, milestone years of service
 - Retirement

- Life events: flowers, cards (i.e., marriage, surgery, birth, death)
- Lineman Appreciation Day
- Benefit's Fair
- Wellness Events
- On-site training classes

9. Travel and Other Expenses Reimbursement Policy

9.1 General Provisions

- 9.1.1 Commissioners and employees of the District are expected to exercise prudent judgment when incurring travel and other expenses for official District business. Business related travel and other expenses will be reimbursed in accordance with this Policy.
- 9.1.2 The District's Board of Commissioners shall approve the travel of a fellow Commissioner who travels outside the State of Washington or Oregon.
- 9.1.3 The Department Director or the General Manager shall approve all employee travel and the Auditor shall approve all travel for the General Manager, except for regular meetings with District membership organizations within the State of Washington or Oregon.
- 9.1.4 Purchases for materials or supplies should be made in accordance with the District's Purchasing Policy and billed to the District when possible.
- 9.1.5 All expenses will be reimbursed based on actual expenses incurred, with the exception of travel status meals, which will be limited to the current U.S. General Service Administration (GSA) rates.
- 9.1.6 Commissioners and employees must submit a Travel and Training Expense Reimbursement Form (Reimbursement Form) prescribed by the Auditor within 60 days of travel to comply with IRS non-taxable income rules.
- 9.1.7 By submitting reimbursement for payments made under this Policy, Board members shall also certify that the request for reimbursement is made in compliance with the Board of Commissioners Governance Policy and RCW 54.12.080(4).

9.2 Reimbursable Expenses

- 9.2.1 **Registration:** Registration fees required in connection with attendance at conventions, conferences and official meetings are reimbursable. Reimbursable registration fees may include meals, special dinners, and banquets, but may not include recreational or entertainment activities such as golf tournaments, movies, sporting events, etc. Registration should be completed prior to travel to obtain early bird discounts when possible and processed through the normal voucher system.
- 9.2.2 **Mileage:** District employees are encouraged to use District Vehicles or rental car services for District business; however, should an employee use their personal vehicle the mileage reimbursement allowed in connection with District business shall be the current Internal Revenue Service allowable vehicle mileage rate. Mileage shall be calculated based on travel commencing

from the District office, except Commissioners shall calculate mileage from their home addresses to the destination.

- 9.2.3 Airfare: Employees are expected to obtain the lowest available airfare that reasonably meets business travel needs. Employees are encouraged to book flights 30 days in advance to avoid premium airfare pricing. First-class, business class and priority seating upgrades are not reimbursable. Luggage reimbursement is limited to one checked bag (each way) per passenger.
- 9.2.4 Rental Car: The District has an account with the Enterprise Rent-A-Car. To reserve a rental car through this program, instructions and account information are available on the District's intranet. Commissioners and employees should consider alternative transportation, its availability, and cost prior to vehicle rental. The District provides physical damage coverage for rental vehicles as part of its auto liability coverage. In addition, the Enterprise program includes Collision Damage Waiver which is required whether renting from Enterprise or another car rental agency.
- 9.2.5 Other Transportation Fees: Business required taxi, other hired fares, parking fees, ferry charges and bridge and road tolls are reimbursable.
- 9.2.6 Lodging:
- Reimbursement for lodging expenses shall be the single room rate or standard block rate. If available, government discount rates are required.
 - Lodging may be included for the day prior to the business meeting if travel departure is required before 6:00 a.m. the day of the meeting. This requirement may be waived if, in the opinion of the Department Director or General Manager, there is a compelling business justification.
 - Extra nights lodging may be granted if the health and safety of the traveler is at risk, due to a bona-fide emergency, or to comply with the provisions of the Americans with Disabilities Act.
 - Except for business necessity or personal emergency, late check-out and room guaranteed charges are not reimbursable.
 - Laundry and dry cleaning for those traveling less than seven consecutive days are not reimbursable.
- 9.2.7 Meals:
- Reimbursement for meal expenses is limited to the current daily GSA rate in place for the destination at the time the expense is incurred and includes cost of meal, sales tax, and customary tip/gratuity.
 - Reimbursement for partial travel days shall be based on the travel status times as defined below:

Starting Travel Status	Meal(s) Reimbursed That Day
Before 8:00 AM	Breakfast, Lunch, Dinner
After 8:00 AM	Lunch, Dinner
After 5:00 PM	Dinner

Ending Travel Status	Meal(s) Reimbursed That Day
Before 8:00 AM	Breakfast
Before 5:00 PM	Breakfast, Lunch
After 5:00 PM	Breakfast, Lunch, Dinner

- Travel status includes airport arrival up to three hours before domestic flights and up to four hours before international flights.
- If a meal is provided (such as through a registration fee for a conference), the employee will need to deduct the applicable meal per diem amount from his/her reimbursement form.

9.2.8 Business Services: Internet access for business related use will be reimbursed on the basis of actual expenses incurred.

9.2.9 Tips and Gratuities: Discretionary tips and gratuities for meals are included in the GSA allowance for each meal. Tips for hotel services (room cleaning, etc.) shall not exceed \$5 per day. Mandatory tips will be reimbursed on the basis of actual expenses incurred.

9.2.10 Goods and Services: Incidental expenses for District activities such as volunteer events, on-site and off-site working meetings and other business-related functions will be reimbursed on the basis of actual expenses incurred.

9.2.11 Candidate Recruitment: Technical or managerial positions that require special qualifications may require recruitment outside of the local area. Travel and living expenses of potential candidates will be reimbursed while in travel status and consistent with RCW 54.16.092.

9.3 Documentation of Expenses

9.3.1 Credit Card Receipts: When paying by credit card, most merchants provide a detailed receipt in addition to the credit card slip. The itemized receipt is required to be submitted in all cases where they are provided by the vendor. Or the Auditor may accept, at his/her discretion, other forms of documentation such as electronic receipts, email confirmations, invoices, bank statements, etc.

9.3.2 Misplaced Receipts and Cash Expenses: Commissioners and employees who misplace or cannot obtain receipts are required to submit an affidavit on a form prescribed by the Auditor. Such affidavit shall provide a detailed

explanation of the expenditure, the amount, and the signature of the employee certifying that the expenditure was for District business purposes.

- 9.3.3 Lodging: Lodging receipts must clearly identify the amounts paid, the number of occupants, and the room rate. All room service charges shall be deducted from the lodging reimbursement and will be reimbursed in accordance with the meal per diem.
- 9.3.4 Meals: A printout of the GSA rates for all travel locations where meal expenses are incurred must be submitted. Reimbursement above the per diem is allowable under special circumstances (i.e., required attendance at a particular restaurant) and must be supported by an itemized receipt.
- 9.3.5 Meals Consumed by Others: Meals and refreshments purchased for others must be for legitimate business purposes, must include the name of the person who consumed the food or drink, the nature of the occasion for the consumption and will be reimbursed at the GSA rate in place at the time the expense is incurred.
- 9.3.6 Travel with Another Employee: Employees traveling together may combine expenses however, the receipt must clearly indicate the name of those who incurred the expense.
- 9.3.7 Extended or Alternate Travel: Extended travel or travel to an alternative location in order to save money, require a statement of monetary and benefit savings to be submitted with the reimbursement. If travel is extended for non-business purposes a breakdown of additional costs incurred must be identified and excluded from reimbursement.
- 9.3.8 De Minimis Expenses: Documentation is not necessary for amounts expended within the maximum limits identified below, but shall be reimbursed based on actual expense incurred. Expenditures in excess of the amounts listed below must be supported by an itemized receipt.
 - Transit fares, taxis, ferry charges and bridge and road tolls if \$20 or less.
 - Parking fees if \$15 or less (per day).
 - Tips and sundry expenses, such as valet, dry cleaning, etc., if \$10 or less.
 - Airline checked baggage fees \$30 each way.

9.4 Non-Reimbursable Expenses

- 9.4.1 Meeting Meals: Meals for regular or routine meetings that are primarily social in nature or could be conducted outside of meal or break periods during normal working hours.
- 9.4.2 Personal Expenses:
 - Transportation costs such as mileage, taxi fares and car rentals to places of entertainment and other non-business facilities and activities are not reimbursable.

- Commuting expenses between a Commissioner's or employee's residence and District offices are not reimbursable.
 - Keys locked in an automobile, travel insurance, personal automobile accident insurance are not reimbursable.
 - Additional expenses for extended travel or travel to alternate destinations for non-business purposes are not reimbursable.
 - Alcohol, tobacco, and drugs (recreational or medical)
- 9.4.3 Fines and Penalties: All fines, penalties, and/or forfeitures are not reimbursable. Commissioners and employees shall pay for all traffic tickets, parking citations and/or tow and storage charges issued as a result of improper operation of a vehicle.
- 9.4.4 Travel with Non-Employee: Expenses for a non-employee (e.g., spouse) traveling with any employee are not reimbursable. Receipts, which contain expenses for both the employee and the person traveling with them, must clearly indicate only the employee's expenses.
- 9.4.5 Cancelled Travel/Training: It is the responsibility of the Commissioner or employee to ensure that prepaid travel costs such as registration and airline tickets, as well as non-cancelable reservations are only incurred when travel will actually occur. Payment for expenses related to cancelled travel/training will only be made by the District upon written documentation by the Commissioner or employee, explaining the circumstances surrounding the cancellation certifying that the travel cancellation was due to a business necessity or personal emergency.
- 9.4.6 Frequent Flier Miles and Hotel Rewards: Commissioners and employees are responsible to ensure that they obtain a reasonable and fair price for airline tickets and lodging. All personnel are prohibited from purchasing tickets or lodging from a particular airline or hotel chain without regard to price in order to have frequent flier miles or hotel rewards credited to their personal account.
- 9.4.7 Third Party Reimbursements: When reimbursement by third party is available for part or all travel expenses incurred, Commissioners and employees are required to seek reimbursement. Third Party reimbursements for District travel expenses shall be remitted to the District. Employees shall comply with this Policy and submit reimbursement for actual expenses incurred even though the District may be receiving full or partial reimbursement from a third party.
- 9.4.8 Travel Expenses Between Meetings: Commissioners and employees who wish to stay between two individual meetings held in the same area (or general region) will generally not be reimbursed for meals, lodging and associated travel expenses between the conclusion of one meeting and the beginning of the next. Partial or full reimbursement will be considered if the expenses do

not exceed the general mileage reimbursement or travel expenses that would have been incurred traveling home from the first meeting and travel to the second meeting.

9.5 Cash Advance for Travel Expenses

9.5.1 The following regulations apply to advance travel requests:

- Travel advance requests shall be made on a form prescribed by the Auditor. The advance shall be issued not more than five days prior to commencement of the authorized travel period except under unusual circumstances as approved by the Auditor.
- Advances shall be reconciled for in accordance with this Policy by submitting a Reimbursement Form with required documentation. Excess travel advance funds shall be returned to the District within five working days following the completion of travel. Failure to submit timely travel reimbursements shall render the individual receiving the advance in default and personally liable for the full unpaid amount, plus interest at ten (10) percent per annum from the date of default until repaid. The District shall thereupon have a prior lien against and right to withhold funds payable or to become payable by the District to such Commissioner or employee.
- Under no circumstances shall any travel advance be considered as a personal loan to any individual, and any unauthorized expenditure of any advance shall be deemed a misappropriation of public funds.

10. Mobile Phone or Device Stipend Policy

10.1 Objective

- 10.1.1 The District recognizes the need to provide efficient, cost-effective communication equipment and services to further its business goals. There is a recognized advantage to be able to communicate with District employees during normal working hours, and in some instances, when an employee is away from the workplace. Employee use of their personal mobile phone or device for business purposes is identified as a means of providing such services and shall be limited to the requirements and specifications contained in this guideline.
- 10.1.2 To facilitate this communication and upon proper approval, the District will provide a reimbursable employee expense stipend for an approved list of employees who are designated to use employee-owned mobile phone or device for District business. The intent of the stipend is to offset the cost of employees using their personal mobile phone or device for this purpose.

10.2 Authorization

- 10.2.1 The authorization and assignment of employees to the mobile phone or device stipend list is limited to those instances where there is a demonstrated need for such equipment or service and a minimum regular average business usage of 30 or more minutes per month, or in some required instances, for less than 30 minutes as specifically authorized by the District.
- 10.2.2 Employees authorized for data reimbursement must have a demonstrated business need to access email and business calendar from District servers. Examples of those needs include:
- Improved safety
 - Increased productivity and/or efficiency
 - Improved emergency preparedness
 - Situations where communications cannot be provided by any other less costly or reasonable means.
- 10.2.3 The District's Department Directors will approve the list of employees to receive an expense stipend in accordance with this policy.

10.3 Responsibilities

- 10.3.1 The stipend amount calculated for each employee is intended to provide a monthly reimbursement for the appropriate amount of business use on his or her personal mobile phone or device. Authorized employees will be required to sign a Mobile Phone or Device Usage Stipend Agreement and are responsible for entering into a contract for mobile service with the provider of their choice. The District will not be responsible for an employee's personal mobile phone or device and/or associated service, regardless of any type of

use, including inappropriate charges, a damaged, lost or stolen phone, or delinquent payments.

- 10.3.2 Each employee authorized for a stipend will immediately report the mobile phone number to the Auditor and will carry the phone when it is reasonably determined that business necessity may require it or at times when normal communication links are not available.
- 10.3.3 The District retains the right to periodically review the list of employees approved for a mobile phone or device stipend and to review stipend levels for appropriateness. The District may change or cancel such stipend as deemed reasonable due to business usage and/or employee work-related responsibilities. Such stipend adjustments will be by approval of the Auditor.
- 10.3.4 The District strictly prohibits conducting business through text messages. All District business must be conducted through a District approved application and in accordance with the District's Public Records Act Policy and Records Management Policy.
- 10.3.5 In the event of a Public Records Request (PRR) and upon notice from the District, an employee must search their files, devices, and accounts for records responsive to a relevant PRR and produce any public records (emails, text messages, instant messages, and any other type of data) to the District. Where an employee withholds personal records from the employer, he or she must submit an affidavit with facts sufficient to show the information is not a "public record" under the Public Records Act.

11. Vehicle Use Policy

11.1 Objective

The purpose of this policy is to ensure the safety of those employees who drive District Vehicles and to provide guidance on the proper use of District Vehicles and personal vehicles used for District business.

11.2 Driver Criteria & Administration

Vehicle accidents are costly, but more importantly, they may result in injury to District employees or the general public. It is the driver's responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. As such, the District endorses all applicable state motor vehicle regulations relating to driver responsibility. The District expects employees to drive in a safe and courteous manner pursuant to the following safety rules. The attitude you take when behind the wheel is the single most important fact in driving safely.

- 11.2.1 Only District employees or contract employees are authorized to operate District Vehicles.
- 11.2.2 Employees must have and maintain a valid and current driver's license when operating any vehicle used for District business. Employees that operate commercial vehicles must have the proper Commercial Driver License (CDL) endorsements and appropriate training.
- 11.2.3 The District may revoke the authority of an employee to operate a District Vehicle due; to patterns of unsafe driving, traffic violations, improper or unauthorized use, suspended or invalid license, inadequate personal coverage or uninsurable by the District's insurance company, or who fail to meet the criteria stated in this policy, or is considered to be in violation of the intent of this policy. Where this authority is revoked for employees for whom driving is an essential part of their job duties, the employee may be subject to discipline up to and including termination. In addition, the operator will be responsible for damage and/or costs that occur due to an unauthorized use of a District Vehicle.
- 11.2.4 Motor Vehicle Reports will be obtained for all drivers prior to employment and annually thereafter for Commercial Driver License (CDL) holders.
- 11.2.5 District Vehicles may be examined for items missing, contraband, or for any misuse of the vehicle. Contraband may include any items not authorized by the District.
- 11.2.6 District Vehicles may be equipped with an Automatic Vehicle Location (AVL) device, the purpose of which is to better manage and dispatch crews and to safeguard our employees. Records of these devices may be used to ensure compliance with the policy.

11.3 Operating Standards

11.3.1 General Guidelines

- Drivers must become familiar and observe all state and local laws, and District procedures governing the safe and proper operation of vehicles.
- Employees driving District Vehicles are always in the eye of the public and a positive public perception is an important part of an employee's job responsibilities and should be considered as such. As a representative of the District, he/she is expected to avoid any appearance of inappropriate use or behavior while operating a District Vehicle.
- District Vehicles may not be used for any purpose or parked in any area that would diminish the character of the District, such as but not limited to bars, liquor stores, political meetings, or meeting of groups associated with hate, prejudice, or harassment.
- District Vehicles are not to be used by employees or Commissioners for material or personal gain, political campaigning, conducting an outside business, or moneymaking venture.
- The employee assigned a District Vehicle is responsible for ensuring the interior and exterior of the vehicle are kept clean.

11.3.2 Non-District passengers will be allowed for District business purposes. Non-District passengers for other purposes will be allowed by prior approval of the employee's supervisor.

11.3.3 Take-Home Vehicles

- Employees that are on call on a 24-hour basis may be allowed to take a District Vehicle home so they can respond as soon as possible. Such employees must obtain approval from their supervisor.
- The primary use of Take-Home vehicles is for District business, however they may be used to commute to and from work and for "*de minimis*" Personal Use.

11.3.4 Personal Vehicle Used for District Business

- Employees are encouraged to use District Vehicles for District business; however, use of an employee's personal vehicle for District business is permitted.
- Driving a personal vehicle for District business does not relieve an employee of the responsibilities of proper vehicle operation and public perception. Employees must comply with all laws and adhere to District procedures governing the safe and proper operation of vehicles.
- Employees must carry the legally required insurance for their personal vehicle and be eligible for the District's insurance. The District provides liability and physical damage coverage for personal vehicles used for

District business. This coverage is primary to the employee's insurance policy.

- If an employee becomes unlicensed or uninsured, and is therefore not covered by the District's insurance, the employee is not authorized to operate a personal vehicle for District business.
- Use of a personal vehicle to commute to and from work is not considered official business of the District.
- Use of a personal vehicle when dispatched into work or when responding to a work-related situation after normal working hours shall be considered official business of the District.
- Employees who use a personal vehicle for District business will be reimbursed for mileage incurred, with the exception of after-hour callouts. Reimbursement shall be accordance with the Travel and Training Reimbursement Policy or the Collective Bargaining Agreement.

11.4 Safety Guidelines

- 11.4.1 Drivers are responsible for the safe operation and condition of the vehicle they are driving and should be familiar with the vehicle safety equipment. District Vehicle problems or concerns should be promptly report to the Fleet Maintenance Supervisor.
- 11.4.2 Drivers and all occupants must wear a seatbelt at all times. All seatbelts need to be fastened before the vehicle is put in motion.
- 11.4.3 Drivers shall comply with Federal, State, and local mobile phone usage laws when operating vehicles.
- 11.4.4 No driver shall operate a vehicle when his/her ability to do so safely has been impaired by illness, fatigue, injury, or prescription medication.
- 11.4.5 Driving a District Vehicle while under the influence of intoxicants and other drugs (which could impair driving) is forbidden.
- 11.4.6 Drivers are responsible for the security of District Vehicles, and their contents, assigned to them. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended.
- 11.4.7 No animals are allowed inside a District Vehicle at any time unless required by law.
- 11.4.8 Smoking in District Vehicles is strictly prohibited.
- 11.4.9 The picking up of hitchhikers is not permitted.
- 11.4.10 Defensive Driving
 - Drivers are required to maintain a safe following distance at all times. Drivers should keep a two second interval between their vehicle and the vehicle immediately ahead. During slippery road conditions, the following distance should be increased to at least four seconds.

- Drivers must yield the right of way at all traffic control signals and signs requiring them to do so. Drivers should also be prepared to yield at any time. Pedestrians and bicycles in the roadway always have the right of way.
- Drivers must observe all posted speed limits including reduced speed, construction zone and road hazard warnings. In adverse driving conditions, reduce speed to a safe operating speed that is consistent with the conditions of the road, weather, lighting, and volume of traffic.
- Turn signals must be used to show where you are heading, while merging into traffic and before every turn or lane change.
- When passing or changing lanes, view the entire vehicle in your rear-view mirror before pulling back into the lane.
- Be alert of other vehicles, pedestrians, and bicyclists when approaching intersections. Never speed through an intersection on a caution light. When the traffic light turns green, look both ways for oncoming traffic before proceeding.
- When waiting to make left turns, keep your wheels facing straight ahead. If rear ended, you will not be pushed into the lane of oncoming traffic.
- When stopping behind another vehicle, leave enough space so you can see the rear wheels of the car in front. This allows room to go around the vehicle if necessary, and may prevent you from being pushed into the car in front of you if you are rear-ended.
- Avoid backing where possible, but, when necessary, keep the distance traveled to a minimum and be particularly careful.
- Check behind your vehicle before backing.
- Back to the driver's side. Do not back around a corner or into an area of no visibility.

11.5 Reporting Requirements

11.5.1 Traffic Violations

- Vehicle operators are personally responsible for any citations issued to them or the vehicle they are operating, including moving and non-moving violations.
- Citations issued for traffic violations that occur while operating a District Vehicle or personal vehicle used for District business, must be reported to the employee's supervisor within 24 hours of receiving the citation.
- Employees holding a Commercial Driver's License (CDL) must report all citations for traffic violations to the employee's supervisor within five (5) working days of receiving the citation, whether or not the citation is received while on District business.

- All citations issued for DUI must be reported to the employee's supervisor prior to the employee resuming work or operating a vehicle for District business.
- Any employee who has a driver's license or insurance revoked or suspended, or otherwise becomes invalid, must immediately notify his/her supervisor before returning to work the next business day, and **immediately discontinue operation of any vehicle being used for District business.**
- Information regarding traffic violations will be provided to Human Resources and placed in the employee's file.

11.5.2 Accidents

- Employees must immediately notify their supervisor of any accident, theft or property damage involving a District Vehicle or personal vehicle used for District business, regardless of the extent of damage or lack of injuries.
- Employees must stay at the scene of the accident until a supervisor or their designee authorizes the employee to leave the accident site.
- Employees are expected to cooperate fully with authorities in the event of an accident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.
- At the discretion of their supervisor, employees may be required to be tested for the presence of drugs and/or alcohol in accordance with the District's Employee Handbook.
- The supervisor and law enforcement personnel, if responding, will investigate the cause of the accident. Should the results of the accident indicate the employee was at fault, the employee may be subject to discipline, up to and including termination.
- Employees involved in an accident must complete and submit the Accident While on Duty and Vehicle Accident Forms to their supervisor as soon as possible, but not later than 48 hours after the incident.

12. Vehicle Replacement Policy

12.1 Objective

- 12.1.1 The purpose of this policy is to provide general guidance for vehicle replacement that will obtain the maximum use of the vehicle while providing prudent fiscal management and to ensure safe operation, compliance with the District's insurance policy and acceptable public image.
- 12.1.2 Operating a fleet of vehicles requires balancing the costs of purchasing vehicles against repair costs and operational downtime that occur when vehicles are held for an extended period of time. As vehicles age, their residual value declines. The purpose of this policy is to set an optimum level for vehicle replacements, which minimize the overall costs of operating the District fleet, while at the same time, ensuring that core functionality is not unnecessarily jeopardized. The Fleet Foreman together with the Fleet Department Director base these decisions on the type of usage, repairs and maintenance history and anticipated needs for repair.
- 12.1.3 This Vehicle Replacement Policy was prepared in order to optimize the investment in the District's vehicles and work equipment.
- 12.1.4 A major difference between construction and passenger vehicles is the way vehicles are used. Construction vehicles often sit in one location with the engine idling or running hydraulics for work purposes for extended periods of time. Therefore, the engine usage is much higher than would be expected based on the number of miles on the odometer.
- 12.1.5 All vehicles owned and operated by the District are considered emergency response vehicles, and are therefore exempt from the fuel requirements of RCW 43.19.648.

12.2 Vehicle Replacement Guidelines

- 12.2.1 In projecting vehicle replacements for budget planning, vehicle age, mileage, operating time maintenance costs, depreciation, market value and down time must be considered. As a general guideline, vehicles will be replaced on the following schedule:
- 12.2.2 Passenger vehicles:
- Gasoline powered, electric powered (EV), or hybrid passenger vehicles shall be reviewed for potential replacement at no more than ten years or 100,000 miles, whichever comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.
 - Diesel powered passenger vehicles shall be reviewed for potential replacement at no more than ten years or 150,000 miles, whichever

comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.

12.2.3 Trucks or Aerial Lifts with less than 26,000 lbs. GVW:

- Gasoline powered vehicles shall be reviewed for potential replacement at no more than ten years, 100,000 miles, accumulative PTO hours of 5000 or total engine hours/idle time of 7500, whichever comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.
- Diesel powered vehicles shall be reviewed for potential replacement at no more than ten years, 150,000 miles, accumulative PTO hours of 5000 or total engine hours/idle time of 7500, whichever comes first, considering whether the vehicle is deemed fit for service by the District's fleet department or Department Director.

12.2.4 Trucks with greater than 26,000 lbs. GVW:

- If one or more of the following criteria exceed their maximum allowable limit, the vehicle shall be reviewed for replacement: no more than ten years with no regard to mileage, accumulative PTO hours exceeding 5000 or total engine hours/ idle time exceeding 10,000 whichever comes first, taking into consideration whether the vehicle is deemed fit for service by the District's fleet department or Department Director.

12.2.5 Additionally, vehicles shall be replaced or removed from the District's fleet when:

- the cost of repair is estimated at 50% of the vehicle's "Blue Book" fair market value.
- the vehicle has a history of excessive repairs but has not reached the mileage, age, or time component of the standard replacement cycle if the District's fleet department or Department Director deems it unfit for service.
- the vehicle was involved in an accident and the total cost of repair is greater than 50% of the vehicle's fair market value.
- the vehicle is not capable in normal operation to meet current State or Federal laws, current job function or for safety considerations. Vehicles replaced for this reason shall be replaced based on priority, keeping the safety of District employees as the highest priority.

12.2.6 The District will strive to purchase acceptable, standard vehicles from a state contract or other cooperative agreement to minimize costs.

12.2.7 All vehicles shall be painted white as the standard fleet color. All line crew vehicle's front hoods shall be painted black to reduce glare.

12.2.8 When any Department requires additional new vehicles (as opposed to replacements) requests with justification shall be made to the General Manager.

12.2.9 The District shall, if cost effective, refurbish trucks, aerial devices or lifting equipment to extend the operating life past the recommended District policy for fiscal responsibility purposes if said vehicle is deemed in "good" operating condition by the fleet department or Department Director and will cost effectively extend the life of the vehicle an additional five years of reliable service.

12.3 Equipment Replacement Guidelines

12.3.1 District equipment is used to perform specific essential functions on District projects. Most equipment is not considered a vehicle due to the nature of its design and function, but considered a capital asset powered by either a gasoline or diesel engine generally assisting a hydraulic system. This equipment will not have an odometer so replacement efforts will be determined by age, hours, PTO hours or repair costs and operational downtime that occur when equipment is held for an extended period of time. The fleet administrator bases these decisions on the type of usage, repairs, maintenance history and anticipated needs for repair.

Gasoline and diesel-powered equipment shall be replaced at no more than 15 years accumulative PTO hours of 5000, or total engine hours/duty cycle of 7500, whichever comes first, unless the vehicle is deemed fit for service by the District's fleet department or Department Director.

13. Drone/Unmanned Aircraft Use Policy

These standard operating procedures are governed by the published rules, regulations, and authorizations of the Federal Aviation Administration (FAA) under 14 CFR Part 107, which are subject to change over time. District employees operating each District Unmanned Aircraft System (UAS) are responsible for ensuring their UAS operating processes remain in compliance with current rules, regulations, and authorizations.

13.1 Objective

This standard operating procedure is intended to ensure the safe and proper operation of Unmanned Aircraft System (UAS) flown in the National Airspace System (NAS) for Cowlitz PUD. District staff use UAS for asset inspection projects, video and still photography, as-builts, tower inspections, line of sight verification, and other District-related practices. Training flights and flight practice may also be conducted.

Safety is our first priority, including the protection of the flight crew operating the UAS, persons in the area of flight operations, and the natural environment, wildlife, and infrastructure around which we fly. All flight operations must be conducted in accordance with federal laws and regulations.

13.2 Procedures

- 13.2.1 Each UAS owned by Cowlitz PUD must be registered with FAA under 14 CFR Part 48.
- 13.2.2 A Pilot-in-Command for a Cowlitz PUD UAS must hold a current valid FAA Part 107 Remote Pilot Certificate and a valid State issued ID ; and must comply with all applicable training and certification requirements effective as of date of flight.
- 13.2.3 The remote pilot in command must report any UAS accident to the FAA according to Part 107 accident reporting guidelines.
- 13.2.4 Cowlitz County Airspace: Most Cowlitz County is currently (as of most recent policy effective date) designated as Class G (uncontrolled) airspace, including surrounding Southwest Washington Regional Airport (KLS). There are no entry or clearance requirements for Class G airspace. Unrestricted UAS operations are allowed up to the maximum Part 107 elevation with no FAA waiver or approval. Current designations shall be verified as of date of flight, as well as any current Temporary Flight Restrictions (TFRs), Notice to Air Missions (NOTAMs), and current weather for FAA compliance.

13.3 Records

- 13.3.1 Records relating to the operations of the District's UAS will be managed according to Washington State Records and Retention Laws. Applicable categories may include:

- Flight and Use Logs (GS2012-045) – exported from the operating software and stored in a clearly named designated file location for 4-year retention, then destruction. This category includes firmware version for the UAS (via Flight Logs) at the time of flight, as well as flight approvals in classified airspace through the Low Altitude Authorization and Notification Capability system.
- Maintenance (Major and/or Regulated) (GS2012-039) – store in a clearly named designated file location for 6-year retention (measured from date agency no longer owns asset), then destruction.
- Maintenance (Minor Non-Regulated) (GS2012-040) – store in a clearly named designated file location for 3-year retention (measured from end of fiscal year in which minor non-regulated maintenance was complete), then destruction. This category may include firmware updates for the UAS, which are included in the Flight and Use Logs mentioned above.
- Inspections/Monitoring – Regulated (Non-Environmental) (GS2012-038) – store in a clearly named designated file location for 6 years after calendar year and violations (if any) corrected (non-archival).
- Inspections/Monitoring – Non-Regulated (GS2012-037) – store in a clearly named designated file location until no longer needed for agency business (non-archival).
- Reporting/Filing (Mandatory) – Assets (GS2012-044) – store in a clearly named designated file location for 6 years after report or document submitted (Archival – Appraisal Required).
- Images and Videos captured by the UAS will be stored in clearly named folders for the specific project and handled under the appropriate retention for that project.

Records relating to UAS Pilot Certifications will be documented and managed by the District.

14. Employee Meals/Snacks for District Purposes

14.1 General Provisions

- 14.1.1 The District may provide meals/snacks to employees for business purposes. It is important to exercise prudent judgment when approving such expenses. Business related meal/snack expenses will be reimbursed in accordance with this Policy.
- 14.1.2 The Department Director or General Manager shall approve in advance all such expenses. An exception is allowed for emergency response.
- 14.1.3 The expenses will be reimbursed based on actual cost incurred. For meals, the individual amount shall not exceed the U.S. General Service Administration (GSA) rates for the Vancouver (Clark/Cowlitz/Skamania) area.

14.2 Reimbursable Meal/Snack Expenses

- 14.2.1 Business purposes include but are not limited to: General practice is to hold meetings, etc. outside normal meal hours.
- Department meetings and training
 - Working lunches
 - District committee and other meetings
 - Lunch and Learn sessions
 - On-site training classes
 - Benefits Fair
 - Board Meetings and Workshops
 - Strategic Planning sessions
 - Emergency response – storm events, etc.
 - Scheduled after-hours work
 - Recognition for work-related accomplishments, efforts
- 14.2.2 District and individual Department budgets shall be established during the annual budget process considering the nature of activities, number of employees, etc. The General Manager has authority to approve additional amounts as needed.
- 14.2.3 Tips and Gratuities: For meals purchased, a tip is allowable as long as it does not exceed 20%. Tips and gratuities for meals are included in the GSA allowance for each meal.
- 14.2.4 Annually, Cowlitz PUD provides a Christmas lunch for employees.
- 14.2.5 Annually, Cowlitz PUD holds Employee Recognition Day. The District provides breakfast and lunch for all employees.

14.3 Documentation of Expenses

14.3.1 Documentation should include:

- Approval by Director or General Manager
- Nature of business purpose
- Itemized receipt
- If meal is provided, indicate the number of employees along with GSA to support amount does not exceed GSA limits per employee – this is not required for Employee Recognition Day or Christmas Lunch

15. Board Acceptance

The Board hereby authorizes the policies included herein as of the 11th day of March, 2025.

President

Vice President

Secretary

Date: March 5, 2025

Staff Recommendation No. 7/3/11

To: Board of Commissioners
General Manager, Gary Huhta

From: Heather Sorensen, Auditor

Subject: **Transfer of Accounts to Reserve for Bad Debts**

Authorization is requested to transfer \$171,744 to the Reserve for Bad Debts. The balances presented are for terminated service and bankruptcies during Q2 2023 – Q2 2024.

Collection action for these accounts will be continued through the District's collection company and as customers return to service.

Below is a summary of bad debt write-offs for the last 5 years and current year.

Year	Write Off Amount	Avg Per Account
2019	\$ 121,257	\$ 202.97
2020	\$ 118,074	\$ 253.78
2021	\$ 222,111	\$ 402.38
2022	\$ (461)	\$ 266.85
2023	\$ 83,005	\$ 254.93
5-Year Average	\$ 108,797	\$ 276.18
Q1 2024	\$ 8,870	\$ 303.49
Q2 2024	\$ 26,362	\$ 302.34
YTD Total	\$ 35,231	\$ 302.92

Respectfully,



Heather Sorensen
Auditor

COWLITZ PUD

QUARTERLY BAD DEBT WRITE-OFF

March 11, 2025



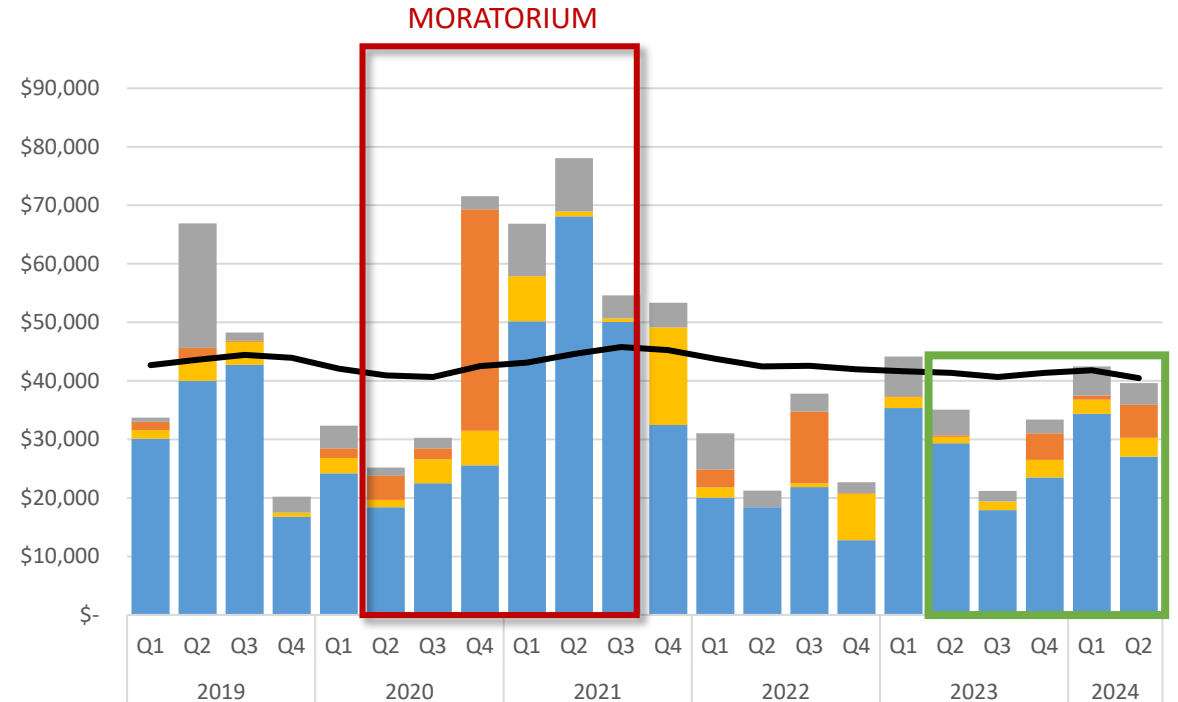
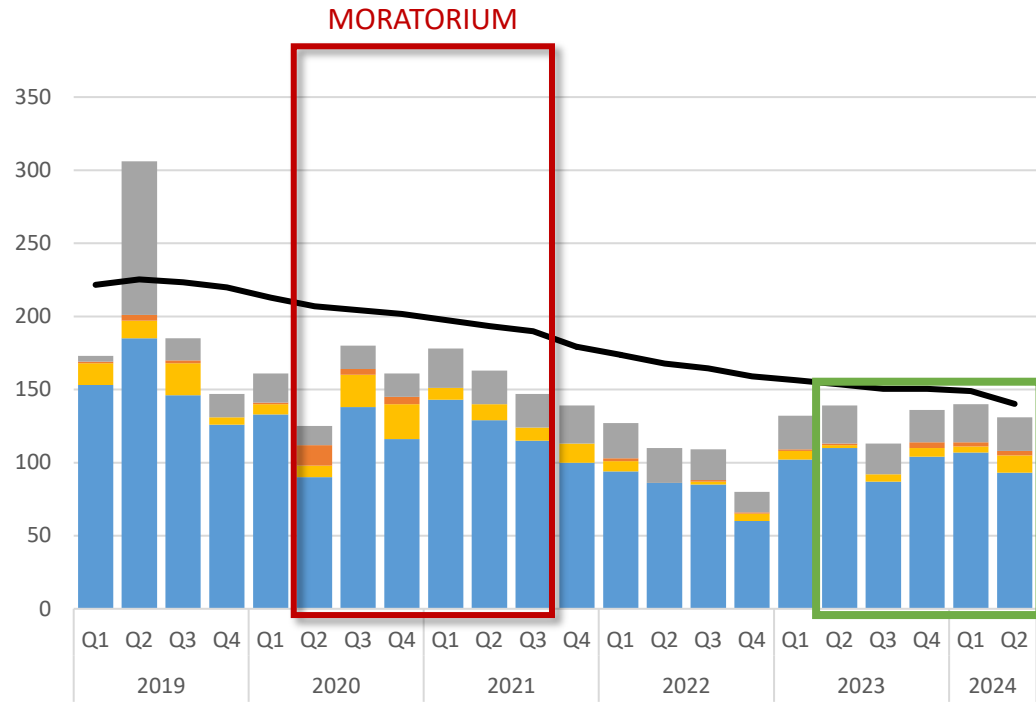
WRITE OFF REPORTING CHANGES

- Past practice was to wait 5 quarters before writing off bad debt.
- The bad debt was then netted against the amounts recovered for the current period and then presented to the Board for approval.
- This process has been changed to improve efficiencies for the write off process while also providing customers an additional 20 days before sending the account to collections and assessing the collection fee.
- The realignment of this process requires write off the past 5 quarters to the current recovery period.
- Going forward, bad debt will be written off against the recovered amounts for the same quarter.

PRIOR REPORTING	NEW REPORTING
Q1 2023 Bad Debt	Q2 2024 Bad Debt
<u>- Q2 2024 Recovered</u>	<u>- Q2 2024 Recovered</u>
Q2 2024 Net Write Off	Q2 2024 Net Write Off

- The write offs last approved were for Q1 2023 Bad Debts and Q2 2024 Recovered amounts.
- The total amount presented for write off for Q2 2023-Q2 2024 is \$171,744.

BAD DEBT – Q4 2024



Estates

Bankruptcy

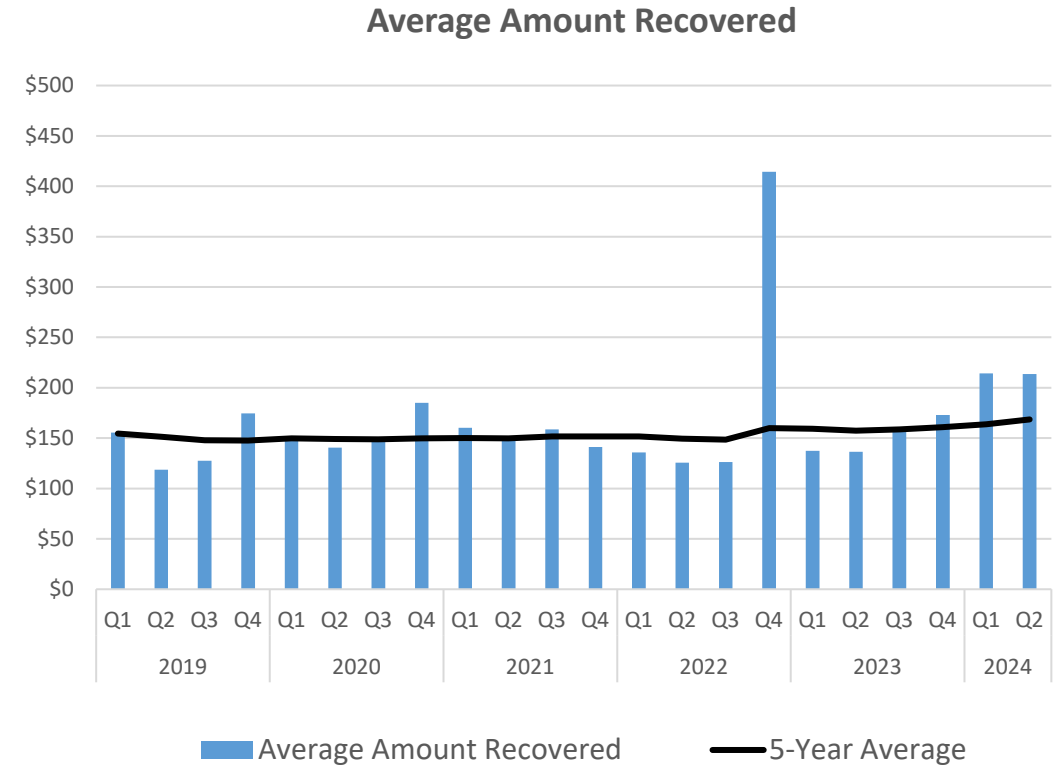
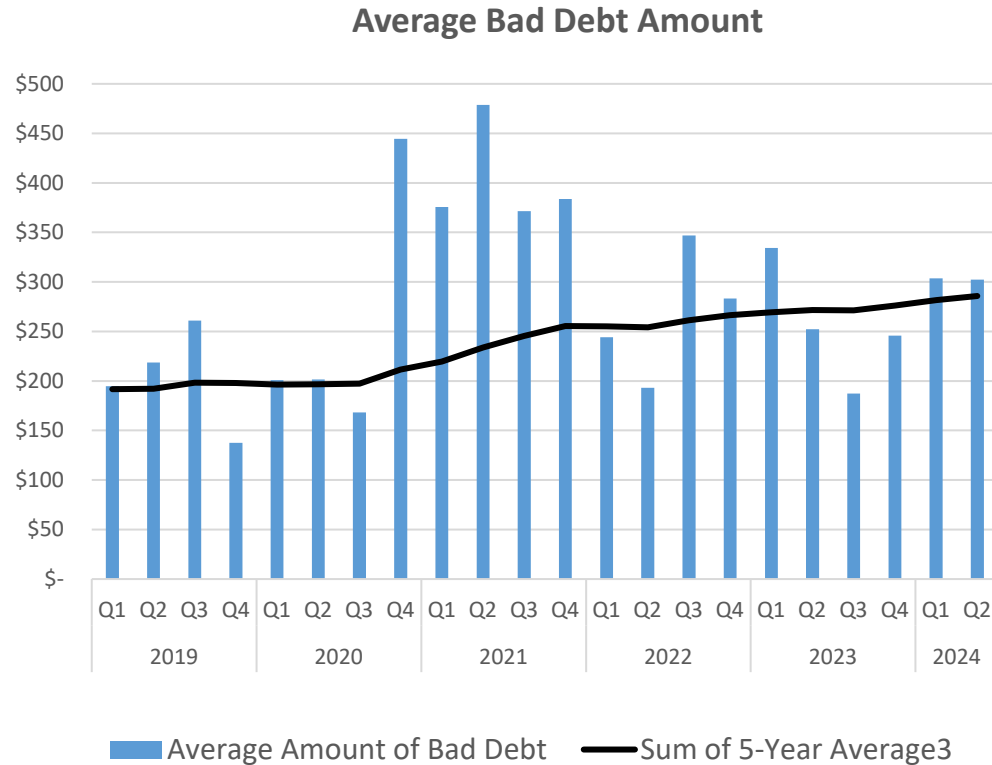
Business

Regular

5-Year Average

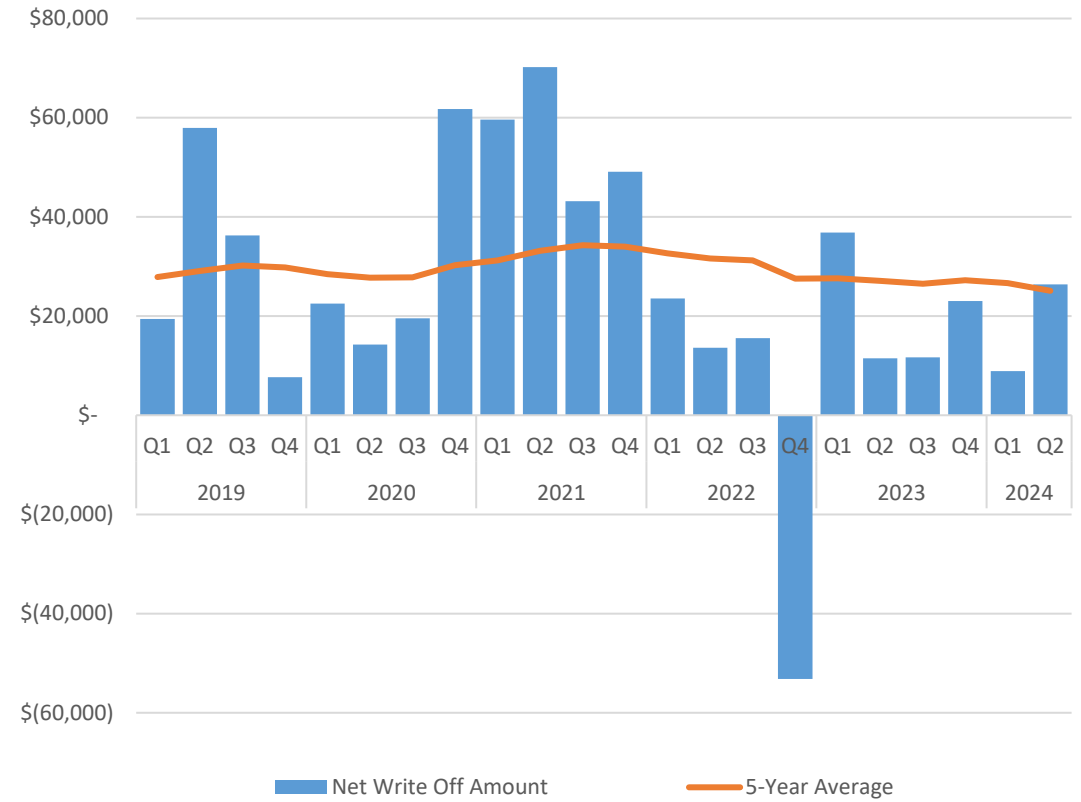
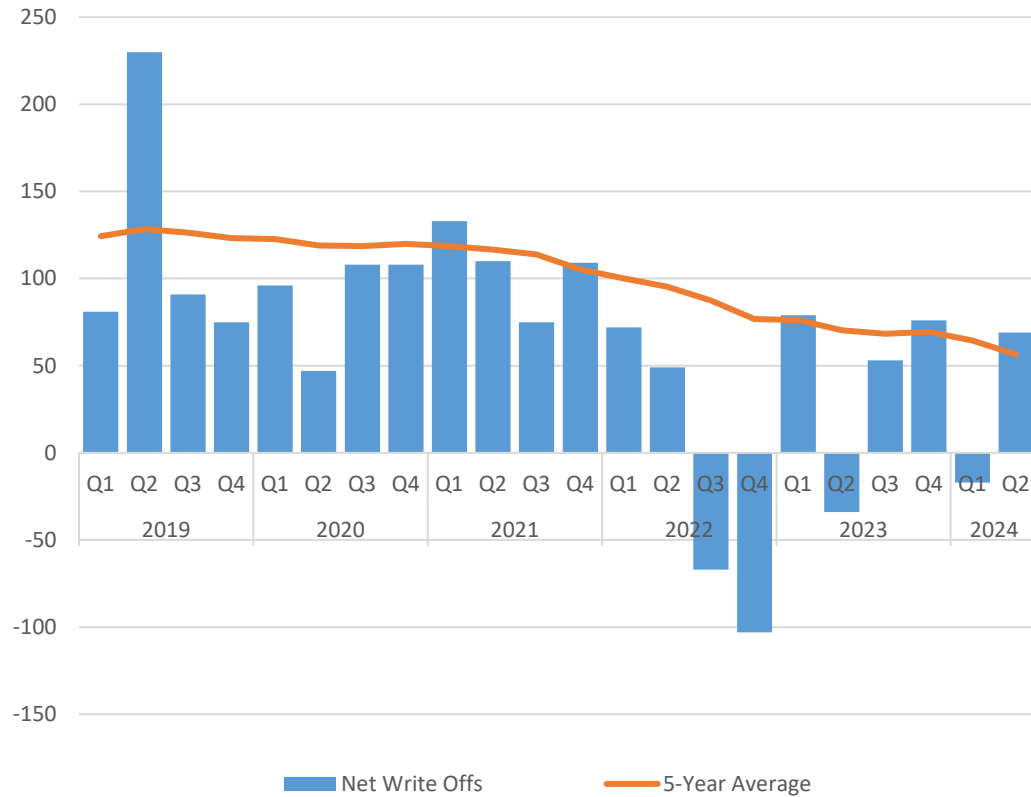
- A total of 659 accounts for Q2 2023 – Q2 2024, totaling \$171,744.
- The quarterly number of accounts continues to trend down while the dollar amount remains flat.

AVERAGE PER ACCOUNT – Q2 2024



- Average amount of Bad Debt per account is \$302, 5-year average \$285
- Average amount Recovered per account \$214, 5-year average \$169
- Anticipate the bad debt amount to decrease with the changes in collection procedures and improved monitoring of accounts

NET WRITE OFF – Q2 2024



- The Net Write Off (Q2 2024 Bad Debt less Q2 2024 Amount Recovered) totals \$26,362.
- The Q2 2024 amount recovered was included in the previously net write off amount and therefore was not included this time due to the reporting change.
- Collection efforts for these accounts will be continued through the District's collection company and as customers return to service.

RESOLUTION NO. 2822

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington, Approving a Derivative Agreement with ConocoPhillips Company.

WHEREAS, it is in the best interest of the District to manage its risks associated with the purchase and sale of electricity; and

WHEREAS, a financial derivative contract may be used by the District to manage or “hedge” such price risks; and

WHEREAS, ConocoPhillips Company (“Conoco”) has offered to enter into an agreement to hedge risks pursuant to the International Swaps and Derivatives Association Agreement, together with schedule modifications (“ISDA Agreement”) with the District, a copy of which is on file with the District; and

WHEREAS, the District is not obligated to transact with Conoco but provides an additional counterparty option for diversification and market liquidity; and,

NOW, THEREFORE, BE IT RESOLVED, that the District is hereby authorized to enter into an ISDA Agreement with Conoco, in substantially the form on file with the District; and

FURTHER RESOLVED, that the General Manager, or his designee, is authorized to execute and deliver an ISDA Agreement with Conoco by and on behalf of the District.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington, in regular session this 11th day of March 2025.

President

Vice President

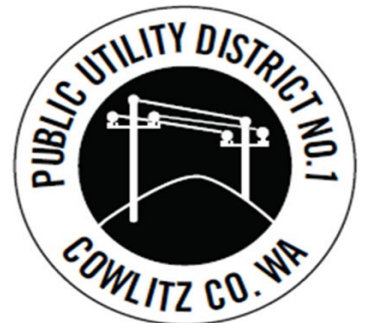
Attest:

Secretary

Cowlitz PUD

Bond Refunding Update

March 11, 2025



Overview

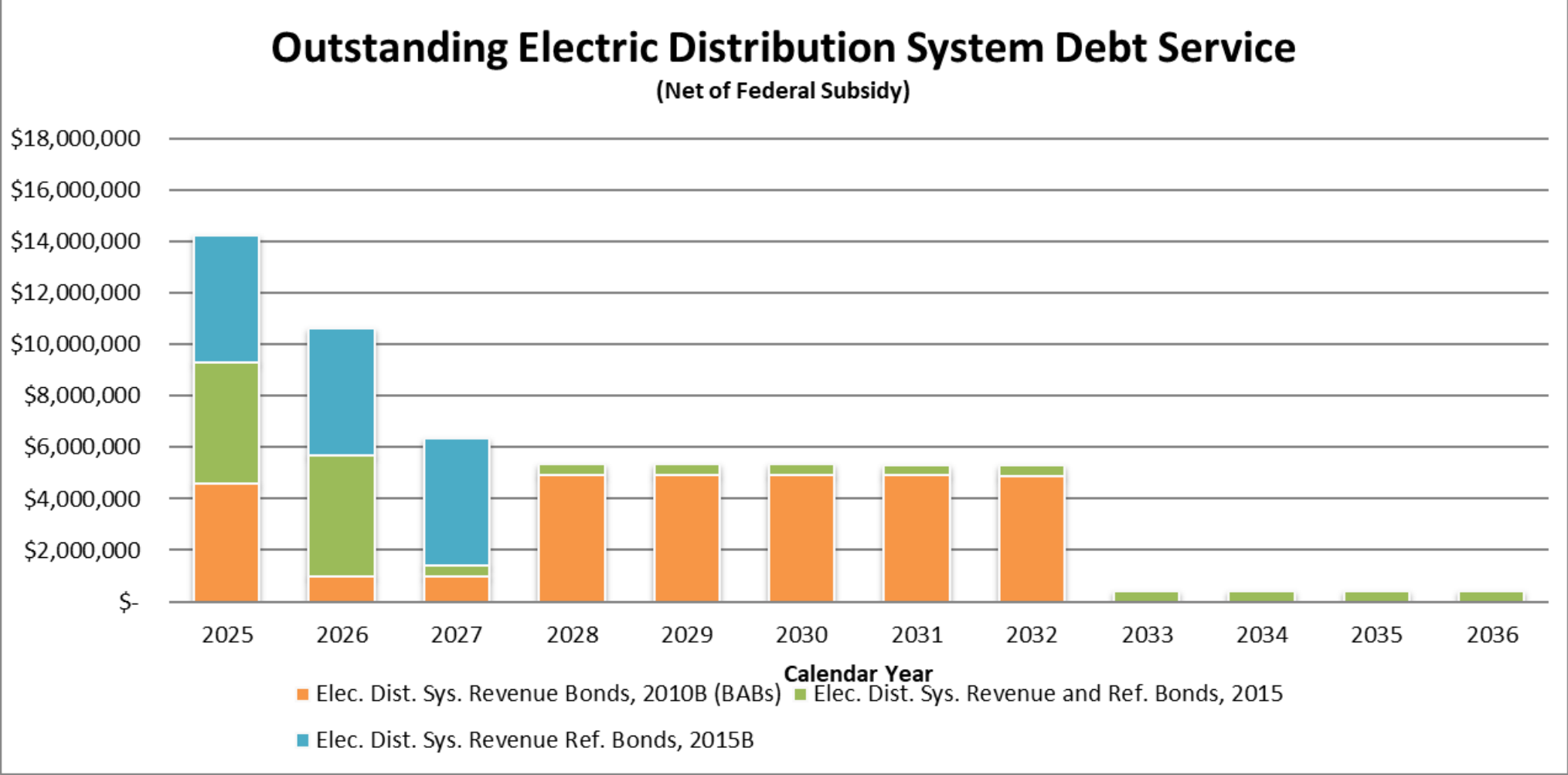
- The District has outstanding Revenue Bonds
 - Electric System - \$50,525,000

Bond Issue	Outstanding Par	Final Maturity Date	Issued True Interest Cost	Outstanding Average Coupon
2010B (BABs)	\$24,950,000	9/1/2032	4.41%	6.88% (4.47% TE Equivalent)
2015	12,065,000	9/1/2036	2.83%	3.78%
2015B	13,510,000	9/1/2027	2.52%	5.00%

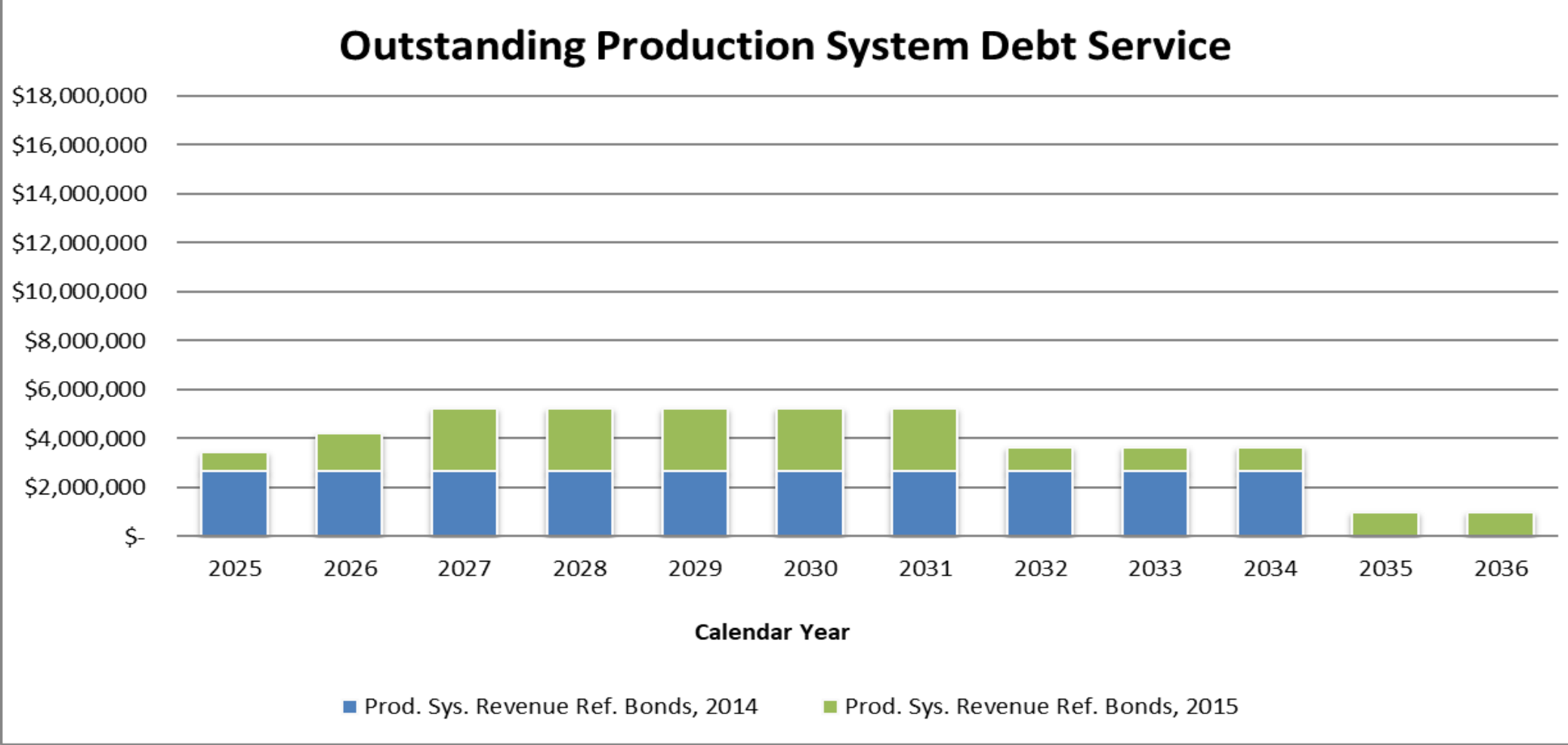
- Production System - \$36,335,000

Bond Issue	Outstanding Par	Final Maturity Date	Issued True Interest Cost	Outstanding Average Coupon
2014	\$20,690,000	9/1/2034	3.55%	5.00%
2015	15,645,000	9/1/2036	3.92%	4.22%

Overview



Overview



Overview

- With the call dates passing, the District has the opportunity to refund the Production System bonds for interest savings.
 - All things being equal, savings decrease the longer away from the call date
- The plan would be to match maturities and use reserve fund releases to reduce the principal amount owing.
- Options are being considered for a partial or full refunding as 2025 and 2026 (2015 Bonds) maturities currently show negative savings.
 - Partial would entail either paying as scheduled or in advance
 - Considerations include the impact on savings and desire to make Bond Resolution changes

Overview

- Other options being considered for the refunding bonds include:
 - Reserve fund or not – if so, met with cash or a surety
 - This has minimal impact on the marketability of the bonds but could impact credit rating
 - Whether to obtain bond insurance
 - Would only pursue if it pays for itself – Rate reduction savings versus the cost of the insurance

Refunding of Series 2014

Sources	
Principal	19,270,000
Premium	1,591,605
Existing Reserve Account	2,640,563
Total Sources	23,502,168

Uses	
Escrow	21,172,767
Deposit to Reserve Account	2,094,175
Cost of Issuance	146,653
Underwriter's Discount	84,624
Additional Proceeds	3,950
Total Uses	23,502,168

Basic Assumptions	
Dated	5/21/2025
Credit Rating (M/S/F)	A1 / - / A

Refunding Statistics	
All-in TIC	3.44%
PV01	9,324
Refunded Par	20,690,000
Refunded Call Date	3/1/2024
NPV Savings \$	1,250,055
NPV Savings %	6.04%
Gross Savings \$	2,096,611

Refunding of Series 2015

Sources	
Principal	14,275,000
Premium	1,254,097
Existing Reserve Account	1,977,291
Total Sources	17,506,387

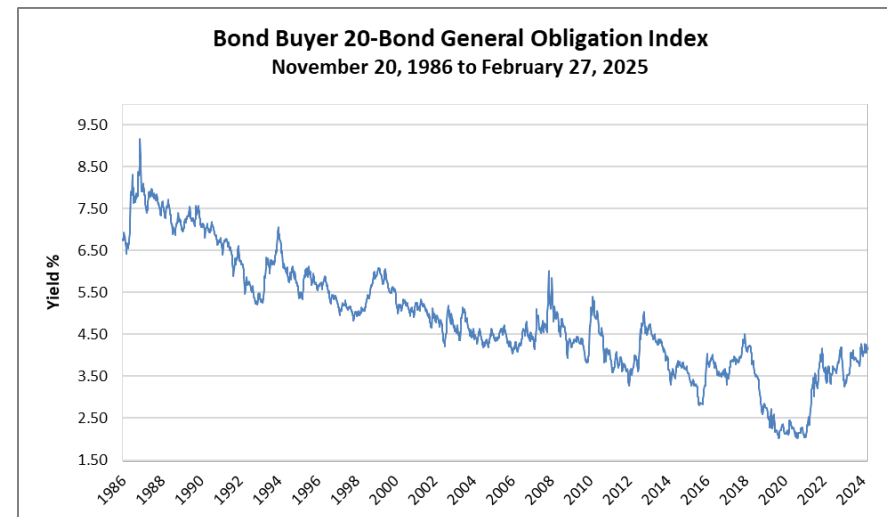
Uses	
Escrow	15,780,835
Deposit to Reserve Account	1,551,341
Cost of Issuance	109,816
Underwriter's Discount	62,688
Additional Proceeds	1,707
Total Uses	17,506,387

Basic Assumptions	
Dated	5/21/2025
Credit Rating (M/S/F)	A1 / - / A

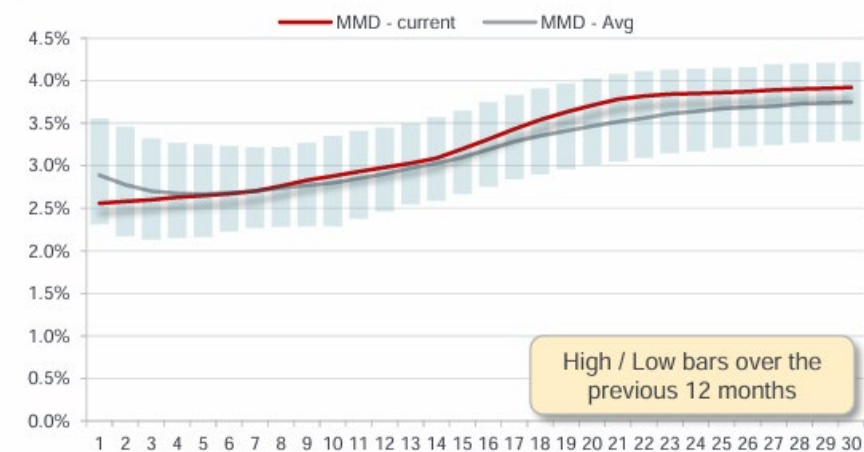
Refunding Statistics	
All-in TIC	3.44%
PV01	7,382
Refunded Par	15,645,000
Refunded Call Date	3/1/2025
NPV Savings \$	621,550
NPV Savings %	3.97%
Gross Savings \$	1,266,280

Market Commentary

- Long-term rates have decreased over the years, hitting historical lows during the pandemic
- An improving economy and inflation drove rates higher afterward
- Bond market participants are watching for the impact of tariffs and Congress's intentions relative to tax-exemption
- Rates are currently in the middle of where they've been for the past year



Tax-Exempt AAA MMD Yield Curve



Team

- Bond Counsel
 - Pacifica Law Group
- Municipal Advisor
 - Northwest Municipal Advisors
- Bond Underwriter
 - KeyBanc Capital Markets
- Underwriter's Counsel
 - Orrick, Herrington & Sutcliffe LLP

Process and Timeline

- March
 - Preliminary Official Statement
 - Bond Resolution – Adopt at March 25th Board meeting
 - Prepare Rating Agency Presentation
- April
 - Rating Agency meetings with Moody's and Fitch
 - Final Preliminary Official Statement
- May
 - Final Official Statement
 - May 21st – Closing of the Bonds

Questions/Feedback