

**PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON**

**MINUTES OF MEETING OF COMMISSIONERS  
Regular Meeting of January 8, 2008  
PUD Auditorium**

**Present:**

**Commissioners:**

Merritt "Buz" Ketcham, President  
Edward M. "Ned" Piper, Vice President

Mark McCrady, Secretary

**Staff:**

Brian Skeahan, General Manager  
Don McMaster, Chief Operating Officer  
Royce Hagelstein, Dir. of Acctg. & Finance  
Rick Syring, Director of Engineering  
Dave Andrew, Mgr. Comm. & Govt. Affairs  
Doug Wood, Director of IT  
Sandy Willman, Admin. Asst. to the General Mgr.  
Lisa Darr, Customer Service Supervisor  
Tia Christina, Manager Property/GIS  
Steve Brock, Operations Superintendent  
Paul Wade, Lineman  
Diana MacDonald, Mgr. Environmental &  
Regulatory Services

Gerry Miller, General Counsel  
Pat Lloyd, Auditor  
Gary Huhta, Director of Power Management  
Monte Roden, Director of Operations  
Steve Lafady, Human Resources Manager  
Tim Johnson, Mgr. Substation Engineering  
Doug Thomas, Engineer  
Sharyl Whitmire, Collection Supervisor  
Marilyn Miller, Treasurer/Risk Manager  
Donna Scott, Dispatcher  
Tim Fromm, Operations Superintendent  
Sherry Crayne, Dir. of Customer Services

**Media:**

Betty Wilson, KLTV

**Public:**

John Searing

**Call to Order** – Pursuant to published Notice, the regular meeting of the Commissioners of Public Utility District No. 1 of Cowlitz County, Washington was called to order at 2:00 p.m. by Commissioner Ketcham.

**Approval of the Minutes** – The minutes of the Regular Board Meeting of December 11, 2007 were approved as published.

**Approval of Vouchers of \$18,892,901.11** – The Commission reviewed vouchers audited and certified by Auditor Pat Lloyd as required by RCW 42.24.080 and RCW 42.24.090 for which warrants were issued on January 8, 2008, under provisions of Resolution No. 1421. Motion was made by Commissioner Piper to approve the vouchers and seconded by Commissioner McCrady. Motion carried. Warrants drawn to cover said vouchers are as follows:

<u>Fund</u>	<u>Voucher Nos.</u>	<u>Amount</u>
Electric Revenue	03337 – 03659	\$17,712,318.61
Water Revenue	06488 – 06501	60,669.71
Swift Revenue	02085 – 02092	226,237.64
Payroll	1726 – 1727	893,675.15

### Reports (Informational, Non-Action)

**Brian Skeahan, General Manager** – Reported BPA has released a draft of their Interim Residential Exchange proposal for restarting payments to the residential and small farm customers of the IOUs and providing financial relief to public utilities. White Creek Phase III options were discussed and I-937.

### Staff / Director's Reports

**Sherry Crayne, Director of Customer Services** – The December report was given. Sherry reported they have received positive comments from customers on the credit card payment option.

**Monte Roden, Director of Operations and Rick Syring, Director of Engineering** – The December Operations and Engineering reports were given. Lineman Paul Wade gave a presentation on the recent hot stick training at Camp Rilea near Warrenton, Oregon and Superintendent Steve Brock gave a presentation on the recent Dispatch Control Room remodel. Monte reported the remodeled Dispatch center definitely helped during the wind storm of January 4<sup>th</sup>. He also reported crews were sent to Pacific and Wahkiakum Counties to assist in repairing damages from the windstorm. Engineer Doug Thomas gave a report on the Pole Inspection Program.

### Board Reports

**Commissioner Ketcham** – None

**Commissioner Piper** – None

**Commissioner McCrady** – None

### Agenda Action Items

#### Staff Recommendations:

**No. 1/1/08** – Acceptance of Work, 2007 Pole Inspection and Treatment Program, Innerpole Investigations, Inc., Contract No. UC1396

Engineer Doug Thomas reported the District entered into a contract with Innerpole Investigations, Inc. to inspect and treat approximately 2,200 District-owned distribution and transmission poles on June 28, 2007. All conditions of the contract were completed on September 14, 2007. Commissioner McCrady moved to approve the recommendation and seconded by Commissioner Piper. Motion carried.

**No. 2/1/08** – Central Washington Power Authority (CWPA) – Cost Allocation Agreement with Grant PUD

Director of Power Management Gary Huhta reported CWPA is a Washington State Joint Operating Agency (JOA) formed in the 1950's for the original purpose of constructing a coal plant. Grant and Kittitas PUDs are the only members and the legal entity has been kept active all these years. Grant PUD has been pressing the suggestion of expanding the CWPA membership to better provide opportunities and services to utilities when BPA allocates its system. Gary recommended the District execute a Cost Allocation Agreement only with Grant PUD to fund the 2008 Feasibility work. Commissioner McCrady moved to approve the recommendation and seconded by Commissioner Piper. Motion carried.

**No. 3/1/08** – Transfer of Accounts to Reserve for Bad Debts – Fourth Quarter of 2007

Auditor Pat Lloyd requested authorization to transfer 281 accounts, which were terminated services during the third quarter of 2006, to Reserve for Bad Debts. Collections Supervisor Sharyl Whitmire and Customer Services Supervisor Lisa Darr reported their departments' procedures in collecting

past due accounts. They also thanked the Board for approving the new policies, which have enabled the efforts of collecting bad debts and delinquencies. Commissioner Ketcham, on behalf of the Board, thanked them for lowering the delinquencies amounts. Commissioner Piper moved to authorize the transfer and seconded by Commissioner McCrady. Motion carried.

**No. 4/1/08 – Salary Review Committee Recommendation**

Human Resources Manager Steve Lafady reported the Compensation Policy for Employees not Covered by a Collective Bargaining Agreement calls for a Salary Review Committee of non-bargaining unit employees to be convened every two years. The task of the Committee is to review information leading to an across the board salary adjustment recommendation and to review market data from our comparable utilities on a job specific basis. It is not focused on the individuals holding the positions. The Committee has made its recommendation to the General Manager to review and in accordance with the Policy submit to the Board for action. Ten positions were recommended for a one salary grade increase. A three percent increase across the board adjustments for all non-bargaining employees and associated salary grade ranges was recommended in each of the next two years. The General Manager recommended the approval of the Committee's three percent increase across the board adjustments of the next two years and positions grade increases with one exception. Since the District's water system is being managed by Beacon Hill Sewer District, the Water Superintendent's position and functions have not been yet defined. The General Manager requested authorization to make a grade adjustment sometime over the next two years when that employee's position is better defined and comparability data support such a move. Commissioner McCrady moved to approve the Committee's recommendations and the General Manager's recommendation with the flexibility of the one position to be re-evaluated. Commissioner Piper seconded the motion. Motion carried.

**Resolution No. 2598:**

**A RESOLUTION** Amending Resolution No. 2548 Adopted March 14, 2006 by Adjusting the Salary of the General Manager Enumerated Therein.

Steve Lafady recommended effective January 1, 2008 the General Manager's salary be increased by three percent in conformance with the Salary Policy. The Board suggested in the future including the General Manager's salary with the across the board increases of the non-bargaining unit employees. General Counsel Gerry Miller indicated this would be permissible. Commissioner Piper moved to adopt the resolution and seconded by Commissioner McCrady. Motion carried.

**Motion:**

**That** the Board of Commissioners designates Max Hanley of Bratrud Middleton Insurance as Cowlitz PUD's "Insurance Broker of Record."

Treasurer/Risk Manager Marilyn Miller reported Pete St. Denis of Bratrud Middleton Insurance has been the District's "Broker of Record" since 1997. Pete is making the transition from full-time to part-time work and has assigned the District's account to Max Hanley. Naming a "Broker of Record" establishes a relationship with a broker. Motion was made by Commissioner Piper and seconded by Commissioner McCrady that Max Hanley of Bratrud Middleton Insurance be designated the District's "Broker of Record." Motion carried.

**Motion:**

**That** the Board of Commissioners approves membership for 2008 to the attached list of organizations to which the District belongs.

General Manager Brian Skeahan reported on the various memberships of associations and organizations that the District participates in and the changes from 2007. The American Wind

Energy Association and Columbia Grid have been added to our memberships of 2008. Motion was made by Commissioner McCrady and seconded by Commissioner Piper to approve these memberships. Motion carried.

**Motion:**

**That** the Board of Commissioners approves the appointments of delegates to the approved memberships of the list of organizations to which the District belongs.

Motion was made by Commissioner Piper and seconded by Commissioner McCrady to approve the appointments of delegates to the approved memberships of the list of organizations to which the District belongs. Motion carried.

**Other Business:** None

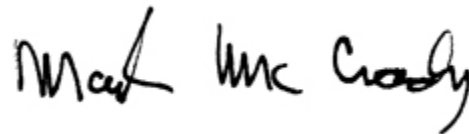
**Comments:**

**From the General Public:** None

**From the General Manager:** None

**From the Commissioners:** Commissioner McCrady announced the Washington PUD Association and legislative meetings begin next week.

**Adjournment** – The next regular Board meeting of the Commission would be held Tuesday, January 22, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 5:00 p.m.



Secretary

Attest:



President



Vice President

Prepared by \_\_\_\_\_  
Sandra Willman, Administrative Assistant to  
the General Manager