

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of January 12, 2010
PUD Auditorium**

Present:**Commissioners:**

Edward "Ned" Piper, President
Mark McCrady, Vice President

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager
Paul Brachvogel, General Counsel
Don McMaster, Chief Operating Officer
Royce Hagelstein, Director of Acctg. & Finance
Sandy Willman, Executive Assistant
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Pat Lloyd, Auditor
Dave Andrew, Mgr. Comm. & Govt. Affairs
Doug Wood, Director of IS
Rick Syring, Director of Engineering
Monte Roden, Director of Operations
Heather Allen, Risk Manager
Tom Loback, Director of Customer Services

Other:

Kim Adamson, Beacon Hill Sewer District

Media:

Betty Wilson, KLTV

Public:

John Searing

Ron Worthington

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 Piper.

Approval of the Minutes – The minutes of the regular Board Meeting of December 22, 2009 were approved as published.

Approval of Vouchers of \$11,248,157.99 – 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 12, 2010, under provisions of Resolution No. 1421. Motion was made by Commissioner Ketcham 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	14446 – 14788	\$ 9,298,979.04
Swift Revenue	02357 – 02362	193,023.86
Payroll	1780 – 1781	1,005,807.09
Water	06542 – 06543	750,348.00

Agenda Action Items

Motion:

That the Board of Commissioners adopts the 2010 Water System Budget.

General Manager of Beacon Hill Sewer District (BHSD) Kim Adamson reported the Board of Commissioners of BHSD had reviewed the proposed water budget and found it acceptable. Per the requirements of the Interlocal Agreement for operation of the water system by BHSD, they have recommended the 2010 budget. Commissioner McCrady moved to adopt the 2010 Water System Budget and seconded by Commissioner Ketcham. Motion carried.

Motion:

That the Board of Commissioners approved the 2010 organizational memberships and the appointments of delegates as needed to which the District belongs.

General Manager Brian Skeahan reported on the various memberships of associations and organizations. Motion was made by Commissioner McCrady and seconded by Commissioner Ketcham to approve these memberships and appointment of delegates for 2010. Motion carried.

Staff Recommendations:

No. 1/1/12 – Directors and Officers Insurance Policy

Risk Manager Heather Allen reported Propel Insurance recently had analyzed the District's current D & O coverage thru Federated and had recommended the current policy be enhanced; however Federated declined any revisions. Quotes were obtained from Rockhill, AEGIS and ACE. It was recommended the District cancel its existing policy with Federated and select ACE as the insurer of the D & O policy. Commissioner Ketcham moved to approve the policy changes and seconded by Commissioner McCrady. Motion carried.

No. 2/1/12 – PERS 1 Retirement / Separation Policy, HR-13

General Counsel Paul Brachvogel reported the policy authorizes the General Manager to enter into Separation of Employment Agreements with PERS 1 employees. Commissioner Ketcham moved to adopt the policy and seconded by Commissioner McCrady. Motion carried.

No. 3/1/12 – CAP 2010 Fund, Contract Amendment

Director of Customer Services Tom Loback recommended amending the contract with CAP to administer new Cowlitz PUD funds which will provide additional assistance for low income customers of the District. The funds were received from the Attorney General of Washington resulting from the 2000-2001 energy crises settlements. Commissioner Ketcham moved to approve the contract amendment and seconded by Commissioner McCrady. Motion carried.

Presentations and Reports from Staff / Directors
(Informational, Non-Action)

Brian Skeahan, General Manager – Briefed the Board on BPA's power sale contract with Alcoa and BPA's post-2011 conservation program. Brian and the Board also discussed Energy Northwest's search for a new CEO. ENW is attempting to accelerate the search process by moving the final interviews from early April to the end of February. It's been reported that there are several good applicants thus far. Commissioner Ketcham mentioned we will be receiving a copy of the survey that was recently conducted regarding the desire for them to be developing new resources.

Doug Wood, Director of IS – Presented the monthly status report of Project FOCUS.

Tom Loback, Director of Customer Services – Presented the December Board report.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – Presented their December Board reports. Rick reported the installation of AMI meters is 65% completed with ten substations activated.

Don McMaster, Chief Operating Officer – Presented the following updates: 1) the Controller position has been filled and she will begin employment on January 18th; as part of the bid process on the new server room a mandatory walk-through is scheduled for January 13th; the updated contract approval process has been finalized.

Dave Andrew, Manager Communications & Govt. Affairs – The 60-day 2010 Legislative session began on January 11 and will continue until March 11. Items that the District is already actively engaged in are I-937 amendments, the appeal of DOR applying a B & O tax to BPA conservation funds, clarification in RCW that PUDs can offer 401 (k) plans to employees and two bills related to net metering and Standard Offer Contracts.

Board Reports and Discussion

Commissioner Ketcham – Reported the Harvest Wind Project’s U.S. Treasury Grant application will be sent in the next ten days.

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None


From the Chief Operating Officer: None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, January 26, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:15 p.m.


Secretary

Attest:


President


Vice President

Prepared by _____
Sandra Willman, Clerk of the Board