

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of November 24, 2009
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
Tom Loback, Director of Customer Services

Pat Lloyd, Auditor
Steve Lafady, Human Resources Manager
Dave Andrew, Mgr. Comm. & Govt. Affairs
Rick Syring, Director of Engineering
Gary Huhta, Director of Power Management
Heather Allen, Risk Manager
Monte Roden, Director of Operations
Tim Johnston, Mgr. Substation Engineering

Media:

Betty Wilson, KYLK

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 Piper.

Approval of the Minutes – The minutes of the regular Board Meeting of November 10, 2009 were approved as published.

Approval of Vouchers of \$21,030,046.90 – 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 November 24, 2009, under provisions of Resolution No. 1421. Motion was made by Commissioner Ketcham to approve the vouchers and seconded by Commissioner Piper. Motion carried. Warrants drawn to cover said vouchers are as follows:

<u>Fund</u>	<u>Voucher Nos.</u>	<u>Amount</u>
Electric Revenue	13744 – 13951	\$20,231,798.11
Swift Revenue	02336 – 02347	275,751.25
Payroll	1777	522,497.54

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

Brian Skeahan, General Manager – Reported that staff has suggested an additional budget workshop before the anticipated adoption of the 2010 electric budget at the December 8 Board meeting. That workshop has been set for December 7 at 4:30 p.m. following the scheduled legislative workshop that same day from 2:00 p.m. – 4:00 p.m. in the PUD auditorium. The 2010 water budget developed by Beacon Hill Sewer District is scheduled for adoption at the December 22 Board meeting.

Updates were given of the Washington PUD Association (WPUDA) Prism Project and the proposed changes to WPUDA bylaws.

Royce Hagelstein, Director of Accounting & Finance – Presented the October Board report including an update on the upcoming bond sale in February 2010.

Gary Huhta, Director of Power Management – Presented the October Board report including an update on the Harvest Wind project.

Dave Andrew, Manager of Communications & Government Affairs – Reported that Cowlitz County may have a pilot electric car plug-in site at the rest stop north of Castle Rock exit 49. Representatives from the Department of Transportation will be here next week. Federal grant money would fund the project.

Dave also reported that the District will be receiving a check from the Washington Attorney General's office for \$95,683.16 as the final settlement from the Enron debacle of 2000 – 2001. The District will be contractually obligated to use the funds to expand low income or weatherization programs. The plan will be finalized early next year and will be brought back to the Commissioners.

Agenda Action Items

Staff Recommendations:

No. 37/11/24 – Acceptance of Work for Olive Way Substation Construction

Tim Johnston, Manager of Substation Engineering, reported J.H. Kelly completed the construction portion of the new Olive Way substation on October 15th. After inspection it was found that all of the work was performed well and recommended it be accepted as completed. Commissioner Ketcham moved to accept the work and seconded by Commissioner McCrady. Motion carried.

No. 38/11/24 – Approval of Liability Insurance Renewal

Heather Allen, Risk Manager, reported the District's liability insurance coverage is due for renewal effective November 26, 2009. The total premium increased 2.2% from last year. Premiums are based on a moving three-year experience of claim history. Heather recommended the District renew its liability insurance with Federated Rural Electric with additional coverage for uninsured motorists for District-owned vehicles and additional excess

liability (general liability and auto liability). Commissioner Ketcham moved to approve the insurance renewal and seconded by Commissioner McCrady. Motion carried.

Break: 3:54 p.m.

Reconvene: 4:05 p.m.

No. 39/11/24 – Acceptance of Salary Review Committee Recommendation for Non-Union Employees for the Years of 2010 and 2011.

Brian Skeahan stated this review process is in accordance with the Compensation Policy for Employees not covered by a Collective Bargaining Agreement and it determines if the salaries are comparable to the other 13 utilities and not the individual employee in the position. Human Resources Manager Steve Lafady presented the Salary Review Committee's recommendations of the general salary adjustment, personal leave buy-back, VEBA, Roth IRA and salary grade adjustments for the Director of Power Resource and the Systems Analyst position in the IT department. Commissioner Ketcham moved to approve the Committee's recommendations and seconded by Commissioner McCrady. Motion carried.

Board Reports and Discussions

Commissioner Ketcham – Gave an update on Energy Northwest Columbia Generating Station.

Commissioner McCrady – Asked about the status of the revision of the Collections of Bad Debt Policy. Brian stated the Policy has been addressed by General Counsel and it will be on the agenda of the December 8 Board meeting.

Commissioner Piper – Brought up for discussion who to support for the open position of secretary-treasurer at WPUDA.

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: Reported the building permits for the new Operations Technical building and the server room at the main office are proceeding.

Motion:

Motion was made by Commissioner McCrady and seconded by Commissioner Ketcham that he meeting be recessed to Executive Session of the Board for the purpose of litigation pursuant to RCW 42.30.110(1)(i) for a period not to exceed approximately 30 minutes duration. The Motion carried and the meeting was recessed to Executive Session at 5:10 p.m. In attendance of the Executive Session were Commissioners Piper, Ketcham and McCrady, Brian Skeahan, Don McMaster, Paul Brachvogel, Dave Andrew, Heather Allen and Sandra Willman.

Following Executive Session, the regular meeting of the Commission was reconvened at approximately 5:40 p.m. No action was required following the Executive Session.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, December 8, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 5:45 p.m.

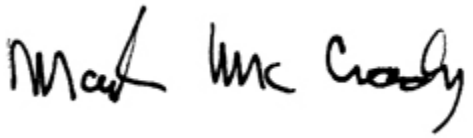


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board