

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of December 22, 2009

PUD Auditorium

Present:

Commissioners:

Edward "Ned" Piper, President

Mark McCrady, Vice President

Staff:

Brian Skeahan, General Manager

Pat Lloyd, Auditor

Paul Brachvogel, General Counsel

Gary Huhta, Director of Power Management

Don McMaster, Chief Operating Officer

Steve Lafady, Human Resources Manager

Royce Hagelstein, Director of Acctg. & Finance

Rick Syring, Director of Engineering

Sandy Willman, Executive Assistant

Monte Roden, Director of Operations

Diana MacDonald, Mgr. Environmental &
Regulatory Services

Heather Allen, Risk Manager

Public:

John Searing

Media:

Betty Wilson of KLTV

Bill Walling

Roger Allen

Don Armstrong

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.

Motion for Excused Absence – Motion was made by Commissioner Piper and seconded by Commissioner McCrady that Commissioner Ketcham be granted an excused absence from the day's proceedings. Motion carried.

Approval of the Minutes – The minutes of the regular Board Meeting of December 8, 2009 were approved as published.

Approval of Vouchers of \$24,068,275.42 – 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 December 22, 2009, under provisions of Resolution No. 1421. Motion was made by Commissioner McCrady 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	14218 – 14445	\$23,490,470.76
Swift Revenue	02350 – 02356	92,076.19
Payroll	1779	485,728.47

Comments from the General Public – Customer Bill Walling inquired about the 2.8% wage increase the Commissioners recently approved for non-union employees. Commissioner Piper explained that it was not a cost-of-living (COLA) increase as reported in the local newspaper,

but was given to match the union employees' contract that was approved earlier this year. Commissioner McCrady explained that it is important to remain competitive with other utilities. The District tries to stay in the center in order to not lose its employees, due to better employment benefits offered elsewhere. Recently one of our superintendents, who had a key role in the AMI meter conversion project, was offered better benefits by a smaller Oregon utility, which he has accepted. Commissioner Piper stated that when we go out on the job market to find replacements it usually costs the District more. Commissioner McCrady added that the margin earned from the wind farms and the performance to foresee this from management, deserves increased pay.

Agenda Action Items

Staff Recommendations:

No. 41/12/22 – Customer Collection of Debt Over Six Years Policy, CS-4

General Counsel Paul Brachvogel stated the policy modifies the District's collection efforts for accounts older than six years. Under the proposed policy the District shall not withhold service to a customer as a means of collecting the past due amount, unless a Judgment has been obtained for the past due amount owed. Service may be withheld for an applicant against whom Judgment has been obtained for a past due amount provided the District uses discretion to determine whether doing so is necessary to avoid the risk of future non-payment on the new account. The District will review Judgments periodically to determine whether further collection actions shall be taken as a means of collecting past due debts. Commissioner McCrady moved to adopt the policy and seconded by Commissioner Piper. Motion carried.

No. 42/12/22 – Hostile Customer Policy, CS-5

General Counsel Paul Brachvogel stated the policy was created due to an ongoing customer situation and is intended to afford employees some guidelines during interactions with hostile customers. Commissioner McCrady moved to adopt the policy and seconded by Commissioner Piper. Motion carried.

Presentations and Reports from Staff / Directors

(Informational, Non-Action)

Brian Skeahan, General Manager – Reported that Washington State Department of Revenue informed the District of their opinion that funds utilities receive from BPA for conservation should be subject to Washington B&O taxes. General Counsel Paul Brachvogel has completed his legal brief for the appeal process. The District is coordinating with other utilities and based on discussion with legislators recently, we are considering running a corrective bill this coming session.

He also announced that Harvest Wind officially went into commercial operation on Tuesday, December 15.

Royce Hagelstein, Director of Accounting & Finance – Presented the November Board report.

Gary Huhta, Director of Power Management – Presented the November Board report.

Board Reports and Discussion: None

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: Reported letters will be mailed soon to the Lewis River Valley customers giving an update on the LRV substation and power upgrade project.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, January 12, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 3:20 p.m.

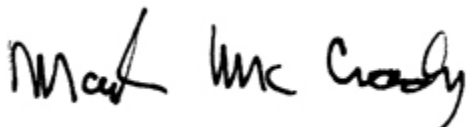


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board