

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

**MINUTES OF MEETING OF COMMISSIONERS  
Regular Meeting of June 10, 2008  
PUD Auditorium**

**Present:**

**Commissioners:**

Edward M. "Ned" Piper, Vice President

Mark McCrady, Secretary

**Staff:**

Don McMaster, Chief Operating Officer

Pat Lloyd, Auditor

Gary Huhta, Director of Power Management

Sherry Crayne, Dir. of Customer Services

Rick Syring, Director of Engineering

Monte Roden, Director of Operations

Dave Andrew, Mgr. Comm. & Govt. Affairs

Marilyn Miller, Treasurer/Risk Manager

Sandy Willman, Admin. Asst. to the General Mgr.

Grant Sawyer, Conservation

Diana MacDonald, Mgr. Environmental &  
Regulatory Services

**Media:**

Betty J. Wilson, KLTV

**Public:**

John Searing

Frank Wilson

**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** was made by Commissioner McCrady to excuse Commissioner Ketcham from the day's proceedings and seconded by Commissioner Piper. Motion carried.

**Approval of the Minutes** – The minutes of the Regular Board Meeting of May 27, 2008 were approved as published.

**Approval of Vouchers of \$5,768,034.53** – 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 June 10, 2008, 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	05505 – 05726	\$ 5,113,789.73
Swift Revenue	02143 – 02145	201,292.70
Water Revenue	06518	14,000.00
Payroll	1738	438,952.10

**Reports (Informational, Non-Action)**

**Don McMaster, Chief Operating Officer** – Briefed the Commission on the regional dialogue, BPA's 2009 rates and the Harvest Wind Project. Don indicated an executive session would be

needed before action is taken on the day's staff recommendation regarding the insurance claim settlement of the 2007 shear pin failure at Swift.

**Introduction of new employees** – New employees Jennifer Olsen and Kelsey Graham were introduced including summer engineering interns Annalee Whiteman, Justin Derosier and Thayer Hendrickson.

### **Staff / Director's Reports**

**Sherry Crayne, Director of Customer Services** – Presented the May Board report. Sherry reported Customer Services have been preparing to transfer the water accounts over to Beacon Hill Sewer District.

**Monte Roden, Director of Operations and Rick Syring, Director of Engineering** – The May Operations and Engineering reports were given. Monte reported the Fleet Management contract was not extended. We are in the process of hiring two in-house mechanics and working on an interlocal agreement with a local agency. Rick reported Tim Johnston, Mike Larsen and Casey Kalal received their PE's today.

**Grant Sawyer, Senior Customer Service Advisor of Conservation** – Explained the new conservation program being introduced to builders, *Northwest Energy Star Homes*. More details may be found on the websites of the District's and Northwest Energy Star.

**Dave Andrew, Manager of Communications & Government Affairs** – Reported on the 2008 Community Relations Activities. The District will have its third annual charity bingo event at the Cowlitz County Fair this year with the proceeds going to the Warm Neighbor fund and American Cancer Society Relay for Life. Dave stated all of these activities not only benefit our community but also gives the employees an opportunity to work together.

### **Board Reports**

**Commissioner McCrady** – Reported he will be representing the District at the City Council meeting on Thursday, June 12, regarding the City of Longview's water supply source.

**Commissioner Piper** – Reported he recently attended the solar electric system dedication at the Wake Robin School in Longview and Toutle Lake High School.

### **Agenda Action Item**

#### **Staff Recommendations:**

#### **No. 17/6/10 – Power Supply Risk Management Action**

Director of Power Management Gary Huhta reported that since the White Creek Wind Project (WC) achieved commercial operation in November 2007, the District has been marketing the output through The Energy Authority on an hour-ahead and day-ahead basis. It was recommended the District consider entering into a fixed price, forward sale for the 65 MW stored and shaped portion of WC. The proposed deal has been reviewed by the District's Supply Risk Management Committee. Commissioner McCrady moved to authorize the General Manager to execute a portion of the WC output under the terms of our adopted Risk Management Policy and seconded by Commissioner Piper. Motion carried.

**Motion** was made at 3:00 p.m. to recess to Executive Session for the purpose of discussing potential litigation matters regarding the staff recommendation of the Swift No. 2 shear pin failure insurance settlement. After Executive Session the Commission returned to its formal public meeting.

**No. 18/6/10 – Swift No. 2 Shear Pin Failure Settlement**

Director of Power Management Gary Huhta reported the District filed an insurance claim with the boiler and machinery insurance carrier AEGIS regarding the 2007 shear pin failure at Swift No. 2, Unit 21. It was recommended that the District enter into negotiation with the insurance company to settle this claim. Commissioner McCrady moved to authorize the settlement and seconded by Commissioner Piper. Motion carried.

**Other Business – None**

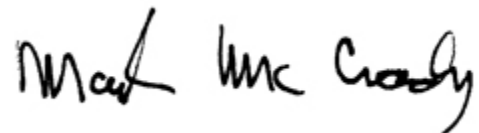
**Comments:**

**From the General Public:** None

**From the Chief Operating Officer:** Don McMaster reported numerous employees are in meetings the entire week with consultants regarding the new customer information system.

**From the Commissioners:** None

**Adjournment –** The next regular Board meeting of the Commission would be held Tuesday, July 8, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 3:15 p.m.



\_\_\_\_\_  
Secretary

Attest:

Excused by Motion

\_\_\_\_\_  
President



\_\_\_\_\_  
Vice President

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