

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of September 9, 2008
PUD Auditorium**

Present:**Commissioners:**

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

Mark McCrady, Secretary

Staff:

Brian Skeahan, General Manager
Pat Lloyd, Auditor
Gary Huhta, Director of Power Management
Rick Syring, Director of Engineering
Royce Hagelstein, Dir. of Acctg. & Finance
Treana Storie, Administrative Assistant
Sherry Crayne, Director of Customer Services
Sandy Willman, Admin. Asst. to the General Mgr.

Don McMaster, Chief Operating Officer
Doug Wood, Director of IS
Steve Lafady, Human Resources Manager
Dave Andrew, Mgr. Comm. & Govt. Affairs
Ray Johnson, Operations Superintendent
Monte Roden, Director of Operations
Jeff Moses, Purchasing Manager

Media:

KLTV

Guest:**Public:**

Dave Quinn

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 2:03 p.m. by Commissioner Ketcham.

Approval of the Minutes – The minutes of the Regular Board Meeting of August 26, 2008 were approved as published.

Approval of Vouchers of \$2,205,823.88 – 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 September 9, 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	06798 – 06991	\$1,711,310.32
Swift Revenue	02173 – 02175	37,144.32
Water Revenue	06525	5,212.00
Payroll	1745	452,157.24

Introduction of new employees – Matt Hillebrand introduced our three new mechanics: Steve Parker, Feet Mechanic Foreman, Duane Pense, and Jerry Brackett, who are both Fleet Mechanics.

Agenda Action Items

Staff Recommendation:

No. 26/9/09 – Recommendation for Bid Acceptance for Insulated Aerial Man-Lift from Altec Industries Inc. Contract No. UC1444

Steve Brock recommended to the Board to approve the purchase of the Insulated Aerial Man-Lift from Altec Industries Inc. He noted that this is a transmission man-lift and due to the amount of transmission work we would be doing, this was included in the 2008 Budget for an extended man-lift. Motion was made by Commissioner Piper to approve the purchase and seconded by Commissioner Ketcham. Motion carried.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported there is good news regarding the Residential Exchange Refund, in that we will be seeing an additional \$3.8 million from BPA. It is not yet clear if this refund will be handled in the same way as the previous \$14 million which was credited back to our largest customers via refund, and our residential and smaller industrial and general service customers via bill credit. BPA is looking to increase rates for October 2009 which may be as high as 5-6%. If the slice contract is signed, we know that the rate stabilization fund will need to be even bigger, and we know that we have COSA issues between the residential and general service rate classes. Staff will continue to discuss these issues and bring a recommendation to the Board. Commissioner Ketcham asked Brian to get the numbers to see how much we paid into the Residential Exchange Program vs. how much we are actually getting back on the refund. Brian said he will work on getting those numbers. Brian updated the Board on the latest Harvest Wind Meeting stating that Summitt submitted an unsolicited proposal to act as the project developer. Representatives from Summitt were at the meeting and they were informed their bid came in too high. Summitt is resubmitting a bid. Commissioner Ketcham added that some issues that have come up concerning the delivery of the turbines, and the fact that the price may go up if they are not delivered by the end of 2009.

Staff / Director's Reports

Don McMaster, Chief Operating Officer – Reported the budget meetings with Engineering should wrap up September 9, and added those meetings are going well. Advised he will be attending the upcoming "State of the Cities" meeting scheduled for September 11. Also advised of the upcoming "Wire Theft Summit" scheduled for October 23, in the PUD Auditorium from 8:00 a.m. – 12:00 p.m. He is working with Dave Andrew and Monte Roden on an agenda and will distribute it to area agencies and businesses that might have interest attending. There is an Engineering/Operations meeting scheduled for September 10 to work out any issues and get updates on projects.

Sherry Crayne, Director of Customer Services – Presented the August Board Report.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – Ray Johnson, Operations Superintendent reported on the 2008 Plow Project's status, stating the project is at 97% completion of the contracted amount. To date, 19.3 miles of underground replacement line has been installed in the Woodland and Castle Rock areas. Commissioner

Ketcham asked Monte Roden how the areas for replacement are chosen. Monte replied the area is chosen based on failures. Rick Syring attributed the high completion rate on the plowing to sending the plowing jobs down to Operations, letting them head up the jobs where before it was the Engineering Department's responsibility. This has allowed the Engineering Department to concentrate on their jobs and has worked out well. Monte reported we have received the new Terex line truck. This truck has a bucket with a 65 ft. reach, and with lots of upcoming installation of transmission lines, we are trying to prepare for future work. This truck also has a remote control, which is a new feature and will be convenient for the crews in the field. Monte also reported we have purchased a new Bobcat excavator to replace some of the equipment that went to Beacon Hill Sewer District when they took over operations of the Water System.

Board Reports

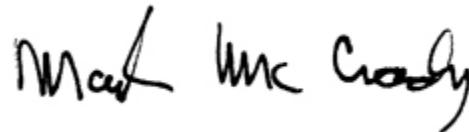
Commissioner Ketcham – Reported he is anxious to hear the Budget Conservation Plan for 2009. Brian Skeahan confirmed we have a company contracted to perform the Conservation Plan Assessment. Commissioner Ketcham asked Brian to work on getting an update from CEDC. Brian said he will schedule them for a presentation to the Board.

Other Business: None

Comments:

From the General Public: None
From the General Manager: None
From the Chief Operating Officer: None
From the Commissioners: None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, September 23, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 3:08 p.m.



Secretary

Attest:



President



Vice President

Prepared by _____
 Treana Storie, Administrative Assistant