

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

**MINUTES OF MEETING OF COMMISSIONERS  
Supplemental Meeting of January 13, 2008  
PUD Auditorium**

**Present:**

**Commissioners:**

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

Mark McCrady, Secretary

**Staff:**

Brian Skeahan, General Manager  
Don McMaster, Chief Operating Officer  
Pat Lloyd, Auditor  
Royce Hagelstein, Dir. of Acctg. & Finance  
Sandy Willman, Executive Assistant  
Diana MacDonald, Mgr. Environmental &  
Regulatory Services

Paul Brachvogel, General Counsel  
Dave Andrew, Mgr. Comm. & Govt. Affairs  
Steve Lafady, Human Resources Mgr.  
Monte Roden, Director of Operations  
Gary Huhta, Director of Power Management  
Sherry Crayne, Dir. of Customer Services  
Rick Syring, Director of Engineering

**Media:**

Betty J. Wilson, KLTW

**Guest:**

Kim Adamson, General Manager of BHSD

**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 Ketcham.

**Approval of the Minutes** – The minutes of the Supplemental Board Meeting of December 16, 2008 were approved as published.

**Election of Board Officers** – In keeping with the Governance Policy of the District, a motion for the nominations of the Board of Commissioners' officers occurred. Commissioner McCrady moved to nominate Commissioner Piper as President and Commissioner Ketcham as Secretary. Commissioner Piper moved to nominate Commissioner McCrady as Vice President. Motions carried.

**Approval of Vouchers of \$24,554,336.37** – 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 13, 2009, under provisions of Resolution No. 1421. Motion was made by Commissioner McCrady to approve the vouchers and seconded by Commissioner Ketcham. Motion carried. Warrants drawn to cover said vouchers are as follows:

<u>Fund</u>	<u>Voucher Nos.</u>	<u>Amount</u>
Electric Revenue	08531 – 08891	\$23,341,392.90
Swift Revenue	02218 – 02223	183,906.20
Water Revenue	06533	419.00
Payroll	1753 – 1754	1,028,618.27

**Public Hearing  
Proposed Water Rate Increases**

**Resolution No. 2612:**

**A RESOLUTION** Relating to Rates for Water Service, and Setting Forth Schedules of Rates and Rescinding Resolution No. 2591.

General Manager of Beacon Hill Sewer District Kim Adamson reported the Board of Commissioners of BHSD had reviewed the proposed rate increases and budget projections related to the Mint Farm Water Supply project costs. BHSD recommended the revised rates and fee schedules including a new \$5.00 service fee. In addition to increases in existing rates, additional maintenance fees for oversized meters was included as well as an increase in allowable water use for the base rate. The revisions were effective retroactively to January 1, 2009. Commissioner McCrady moved to adopt Resolution No. 2612 and seconded by Commissioner Ketcham. Motion carried.

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

**Brian Skeahan, General Manager** – Briefed the Board on the BPA 2010 – 2011 Partial Transmission Rate Case Settlement Agreement. Basically the settlement provides a zero rate increase for most of the transmission rate components for a two-year period.

The Harvest Wind project continues to move forward. Bid openings were Monday, January 12. Eight bids were received. The bid results will be discussed along with the construction loan process at the next scheduled meeting on Wednesday, January 14.

Swift No. 2 received minor flood damage from the last weather event. Swift No. 1 received more extensive damage and is still being assessed by PacifiCorp.

**Staff / Director's Reports**

**Sherry Crayne, Director of Customer Services** – Presented the December Board report.

**Monte Roden, Director of Operations and Rick Syring, Director of Engineering** – Presented the December Board reports. Monte reviewed the recent snow / flood event. In order to be prepared PUD personnel worked with Cowlitz County Emergency Management a couple of days a head of the weather event.

**Don McMaster, Chief Operating Officer** – Briefed the Board on the current on-line training courses all employees will be involved in this year. The courses will be through Vivid Learning Systems. Many of the courses are required by law.

Project Focus continues to move forward. The Requests for Proposals are due by January 20 and the finalists will be announced at the March 24 Board meeting.

**Dave Andrew, Mgr. Comm. & Govt. Affairs** – Reported on the Christmas Day snow event. Many of our employees spent the holiday answering outage calls and assisting in the restoration of power throughout the County. The majority of our customers were very pleased.

The 2008 Customer Survey results were presented. Four-hundred customers were polled from five-thousand randomly selected phone numbers beginning November 25 through December 10. The response rate was seventy-six percent. The District's overall rating went up from the 2006 survey of 3.9 to 4.0 this time, on a scale of 1 to 5.

### **Board Reports**

**Commissioner McCrady** – Stated that a few of his co-workers at Longview Fibre have requested information regarding the Warm Neighbor program. Dave Andrew will contact his co-workers.

**Commissioner Ketcham** – Stated he has concerns regarding the rising beds of the Cowlitz and Coweeman Rivers. He would like the District to be a voice as local government in addressing the dredging in order to avoid future flooding. Dave will be attending the next Council of Governments meeting on Friday, January 16 and will address this subject. Commissioner Piper will mention it to Congressman Brian Baird while he is attending the APPA Legislative Rally in Washington, D.C. in February.

### **Board Discussion**

The Commissioners' "per diem" compensation was discussed. General Counsel is waiting for clarification from the State Auditor. Commissioner Piper has been using the three-hour rule for his guidelines. Commissioner Ketcham would like the Governance Policy to match the RCW guidelines. Commissioner McCrady believes the Policy does match the RCW. It was agreed to follow State statute and use the Board's individual decisions to claim per diem.

### **Agenda Action Items**

#### **Staff Recommendation:**

**No. 1/1/13** – Transfer of Accounts to Reserve for Bad Debts – Fourth Quarter of 2008

Auditor Pat Lloyd requested authorization to transfer 210 accounts to Reserve for Bad Debts that were terminated services during the third quarter of 2007. Commissioner McCrady moved to authorize the transfer and seconded by Commissioner Ketcham. Motion carried.

#### **Motion:**

**That** the Board of Commissioners approves the 2009 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 that the District participates in and the changes from 2008. The Solar Electric Power Association, Utility Wind Integration Group and Central Washington Power Agency have been added to our memberships of 2009. Motion was made by Commissioner McCrady and seconded by Commissioner Ketcham to approve these memberships and appointment of delegates for 2009. Motion carried.

**Other Business:** None

**Comments:**

**From the General Public:** None

**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 27, 2009 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 4:15 p.m.

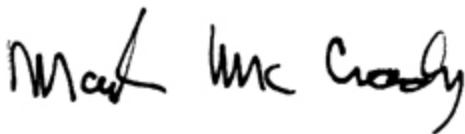


Secretary

Attest:



President



Vice President

Prepared by \_\_\_\_\_  
Sandra Willman, Clerk of the Board