

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of February 10, 2009
PUD Auditorium**

Present:**Commissioners:**

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

Mark McCrady, Vice President

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
Sherry Crayne, Director of Customer Services

Paul Brachvogel, General Counsel
Dave Andrew, Mgr. Comm. & Govt. Affairs
Steve Lafady, Human Resources Mgr.
Doug Wood, Director of IS
Rick Syring, Director of Engineering
Steve Brock, Operations Superintendent
Monte Roden, Director of Operations
Matt Hillbrand, Operations Superintendent

Media:

Betty Wilson, KLTV

Public:

John Searing
Jerry Reagor
Steve Jones

Guests:

Steve Wenke, AAC Utility Partners
Rachel Shimshak, Renewable Northwest Project

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 January 27, 2009 were approved as published.

Approval of Vouchers of \$4,184,395.88 – 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 February 10, 2009, under provisions of Resolution No. 1421. Motion was made by Commissioner Ketcham 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	09128 – 09376	\$ 3,388,559.92
Swift Revenue	02231 – 02235	323,003.03
Payroll	1756	471,969.93
Water	06534	863.00

Comments from the General Public – Jerry Reagor, one of the recall participants, requested a report that would give him budget information. Commissioner Ketcham stated we would send him the 2007 Financial Report and the 2008 Annual Report.

Introduction of New Employees – Operations Superintendent Matt Hillebrand introduced new meterman Lyle Kellar who began employment on February 2, 2009.

Wayne Amondson introduced our new Transmission & Distribution Project Engineer Jerod Vandehey who began employment on January 29, 2009.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported the Harvest Wind project continues through the pre-construction stage of activities. The Limited Notice to proceed on the site has been executed. Brian is working with the Port of Longview regarding the turbine shipments and has a meeting scheduled with the Harvest Wind Project Manager on February 13 to discuss this matter.

Staff / Director's Reports

Doug Wood, Director of IS – Reported the Core Team has been working on Project FOCUS since March 2008. Thirteen responses were received from the Request for Proposal with twelve meeting the minimum requirements. The Core Team has reviewed the twelve proposals independently and three vendors met or exceeded the teams' expectations. Each team member reviewed and scored each vendor's offerings and came up with the top three. The three vendors will now put on a demonstration. Once the short list is approved, the Core Team will schedule reference calls and will conduct on site scripted demonstrations. Approval of the final contract with the selected vendor will be in May.

Sherry Crayne, Director of Customer Services – Presented the January 2009 Board report.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – Presented the January 2009 Board reports. Rick reported as of the end of January 14,352 AMI meters have been installed.

Dave Andrew, Mgr. Comm. & Govt. Affairs – Reported we are in the fifth week of the session. Updates were given on climate change and cap-and-trade HB 1819 and SB 5735; I-937 HB 1133 and SB 5840; Black Liquor and Biomass HB 1610 and SB 5441; and HB 1009, sales-and-use tax exemption on renewable equipment and labor. House Bill 1009 extends a sales-and-use tax exemption from 2009 to 2020. That exemption applies to the District's hardware and labor purchase at Harvest Wind.

Guest – General Manager Brian Skeahan introduced Rachel Shimshak, Project Director of Renewable Northwest Project. RNWP represents Washington, Oregon, Idaho and Montana. It encourages and develops renewable resources and is an author of I-937. Rachel commended the District on the leadership of renewable and the courage to step forward with the White Creek Wind Project.

Don McMaster, Chief Operating Officer – Briefed the Board on the employees' food drive for our community Help Food Warehouse which goes through the end of February; bid opening for two substation transformers is due Friday, February 13; and planning for 14,000 more AMI meters to be installed in 2009.

Agenda Action Items

Motion:

That the Board of Commissioners adopts Environmental Policy No. AD-8.

Diana MacDonald, Manager Environmental & Regulatory Services, reported that the results from the recent customer survey asking how green should Cowlitz PUD be indicated the District needs to move forward as a responsible steward of the environment. Commissioner Ketcham requested that this Policy be tabled while the emphases on the words stewardship vs. leadership are worked out. Commissioner McCrady moved to table the Policy for one month and seconded by Commissioner Ketcham. Motion carried.

Motion:

That the Board of Commissioners provides direction to staff for incorporating items associated with a LEED Silver building for the proposed new construction at the District's Operations location.

Steve Brock, Operations Superintendent, reported LEED (Leadership in Energy and Environmental Design) is a third-party certification program and the nationally accepted benchmark for the design, construction and operation of high performance green buildings. The items picked for implementation were cost effective from a business perspective. Two other options, which add more cost but have a quantifiable payback period, were presented as possible additions for implementation. The two options were increased insulation and a solar water heat system. Commissioner McCrady moved to include upgrade efficiency windows and insulation thickness and seconded by Commissioner Ketcham. Motion carried.

Resolution No. 2614:

A RESOLUTION authorizing the representation of Commissioners Members Ketcham and Piper.

Commissioner Ketcham asked if voting on this resolution would be a conflict of interest for him and Commissioner Piper. General Counsel Paul Brachvogel stated there is no conflict of interest. Paul reported on another Washington Supreme Court decision in *Recall of Shipman*, which affirmed the dismissal of petitions to recall PUD Commissioners in another county that were based on allegations regarding matters within the discretion of PUD Commissioners, including adopting budgets, setting allegedly excessive personnel costs, mismanagement and poor judgment. This resolution authorizes the appointment of Donald S. Cohen, Attorney at Law, of Gordon, Thomas, Honeywell, Malanca, Peterson & Daheim LLP, to represent Commissioners Ketcham and Piper in all aspects relating to the recall petition. Commissioner McCrady moved to adopt the resolution and seconded by Commissioner Ketcham. Motion carried.

Board Discussion

Commissioner Ketcham asked if the District could possibly modify the credit / collection policy for customers who have recently begun to have problems paying their utility bill resulting from the current economic situation. Commissioner McCrady stated he is not comfortable with this proposal. This request will be discussed at the next staff meeting.

Board Report

Commissioner Piper – Thanked staff for all their support.

Other Business: None

Comments:

From the General Public: None

From the General Manager: Reported Commissioners compensation will be discussed tomorrow on WPUA Managers' call.

From the Commissioners: None


From the Chief Operating Officer: None

Motion:

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady that the meeting be recessed to Executive Session of the Board for the purpose of discussing potential litigation matters for an anticipated period of 30 minutes. The Motion was unanimously carried and the meeting was recessed to Executive Session at 5:35 p.m.

Following Executive Session, the regular meeting of the Commission of Cowlitz County PUD was reconvened at approximately 6:05 p.m. No action was required following the Executive Session.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, February 24, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 6:05 p.m.

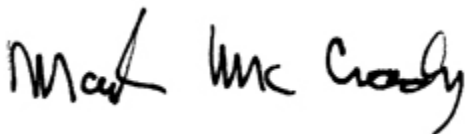


Secretary

Attest:

Excused by Motion

President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board