

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of April 28, 2009
PUD Auditorium**

Present:**Commissioners:**

Edward "Ned" Piper, President
Mark McCrady, Vice President

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager
Dave Andrew, Mgr. Comm. & Govt. Affairs
Pat Lloyd, Auditor
Royce Hagelstein, Dir. of Acctg. & Finance
Sandy Willman, Executive Assistant
Jeff Moses, Purchasing Manager
Gary Huhta, Dir. of Power Management
Tom Loback, Interim Director of Custr. Services
Jim Wellcome, Conservation Manager

Paul Brachvogel, General Counsel
Don McMaster, Chief Operating Officer
Rick Syring, Director of Engineering
Monte Roden, Director of Operations
Steve Lafady, Human Resources Manager
Diana MacDonald, Mgr. Environmental &
Regulatory Services
Steve Brock, Operations Superintendent
Ray Johnson, Operations Superintendent

Public:

John Searing
Douglas Irvine

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 April 14, 2009 were approved as published.

Approval of Vouchers of \$12,466,492.93 – 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 April 28, 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	10365 – 10567	\$11,923,264.90
Swift Revenue	02259 – 02264	73,717.62
Payroll	1761	469,510.41

Comments from the General Public – Douglas Irvine addressed the Board regarding the District's labor costs. Commissioner McCrady explained that the wage rate structure is compared to other utilities similar in size in eastern / western Washington. Labor is only 6.5% of the District's Budget and the District cannot effectively decrease rates by lowering wages. To

be successful in maintaining lower rates is by having the most qualified employees running the business. Doing business with BPA is the main challenge. Commissioner Ketcham stated over the next five to six months there will be articles in the *Connected* publication that will be directed towards educating our customers on subject matters the District is facing and hopefully they will then have a better understanding of the business. Mr. Irvine agreed we need to educate our customers more.

Introduction of New Employees – Tom Loback introduced Mike Reardon. Mike began employment on April 13th as one of our new Meter Reader / Service Representatives. Jim Wellcome introduced Will Tastad our new Conservation Specialist who began employment on April 15th.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Briefed the Board regarding the upcoming rate increase from BPA and the impacts of the actions being contemplated to minimize the increase. These actions coupled with the recent improvement of the snowpack, will reduce the anticipated increase from earlier estimates and closer to the original 9.4% increase.

Staff / Director's Reports

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

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

Dave Andrew, Mgr. Comm. & Govt. Affairs – Provided the legislative update. A letter will be sent to the Governor of Washington encouraging her to sign ESSB 6170 bill offering a four-year extension on a sales-and use tax exemption for the construction of renewable power projects.

Agenda Action Items

Staff Recommendations:

No. 7/4/28 – Amendment to Line Extension Policy EN-2, Section IIIA

Director of Engineering Rick Syring reported the change to the policy was to simplify the application of costs for residential connection applications and provide a mechanism to routinely normalize and validate estimated costs, which benefits the customer. Commissioner McCrady moved to approve the amendment and seconded by Commissioner Ketcham. Motion carried.

No. 8/4/28 – Amendment to Commissioners Governance Policy AD-4, Section XVIII

Auditor Pat Lloyd reported the change is for the purpose of PERS, which provides Commissioners shall be imputed the requisite hours worked per month sufficient to accumulate and earn one service credit per month. Commissioner McCrady moved to approve the amendment and seconded by Commissioner Ketcham. Motion carried.

No. 9/4/28 – Adoption of Identity Theft Prevention Program

Director of Accounting and Finance Royce Hagelstein reported the Identity Theft Prevention Program is in conjunction with the District's Identity Theft Prevention Policy and in accordance with the Federal Trade Commission and the Fair and Accurate Credit Transactions Act. The Program is designed to detect, prevent and mitigate identity theft. Commissioner McCrady moved to approve the adoption of the Program and seconded by Commissioner Ketcham. Motion carried.

No. 10/4/28 – Bid Award 2009 Plowing Contract No. UC1461

Operations Superintendent Ray Johnson reported bid documents for the installation of 20 miles of underground facilities was advertised and mailed to 27 qualified contractors. The District received four bids. After reviewing the bids, it was recommended to award the contract to the lowest bidder Petelco, Inc. Commissioner McCrady moved to award the contract to Petelco, Inc. and seconded by Commissioner Ketcham. Motion carried.

No. 11/4/28 – Bid Award for Purchase of Overhead Wire Pulling Equipment

Operations Superintendent Steve Brock reported bid documents were sent to three vendors. Only one responsive bid was received from the manufacturer, Sherman & Reilly, Inc. This purchase is included in the 2009 Budget. After reviewing the bid, it was recommended the District purchase the bullwheel tensioner and a four-drum puller, which is designed to work together as a set. Commissioner McCrady moved to award the bid to Sherman & Reilly, Inc. and seconded by Commissioner Ketcham. Motion carried.

Resolution No. 2617:

A RESOLUTION of Public Utility District No. 1 of Cowlitz County, Washington, Establishing Finding of Special Market Conditions and the Existence of a Single Source of Supply, Waiving Competitive Bidding Requirements and Authorizing Direct Negotiation with Operation & Maintenance Contractors.

The Resolution authorizes the waiver of competitive bidding requirements for the procurement of operations and maintenance services for the Harvest Wind Project. Commissioner McCrady moved to adopt the resolution and seconded by Commissioner Ketcham. Motion carried.

Board Reports and Discussions

Commissioner Ketcham – None

Commissioner McCrady – None

Commissioner Piper – None

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: None

Executive Session:

Motion was made by Commissioner McCrady and seconded by Commissioner Ketcham that the meeting be adjourned to Executive Session for the purpose of reviewing labor issues pursuant to RCW 42.30.110 (1)(g) and RCW 42.30.140(4) for a period not to exceed approximately 20 minutes. At the conclusion of Executive Session the Commission will return to its formal public meeting. No action will be taken as a result of the Executive Session. The Motion was carried and the meeting was adjourned to Executive Session at 3:58 p.m.

Following Executive Session, the meeting was reconvened at 4:20 p.m. with no action required.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, May 12, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:30 p.m.

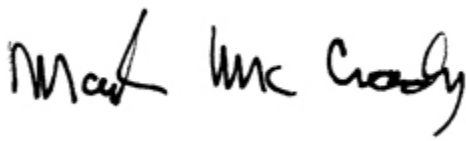


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board