

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of May 12, 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
Monte Roden, Director of Operations
Ray Johnson, Operations Superintendent
Sandy Willman, Executive Assistant
Tia Christina, GIS Manager

Paul Brachvogel, General Counsel
Don McMaster, Chief Operating Officer
Steve Lafady, Human Resources Manager
Steve Brock, Operations Superintendent
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Guest:

Ted Sprague

Media:

Betty Wilson, KYLK

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 28, 2009 were approved as published.

Approval of Vouchers of \$3,412,031.67 – 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 May 12, 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	10568 – 10812	\$ 2,602,664.63
Swift Revenue	02265 – 02268	334,100.09
Payroll	1762	474,887.95
Water	06537	379.00

Introduction of New Employees – Steve Lafady introduced Heather Allen and Julie Dennis. Heather began employment on April 13th as Insurance / Risk Manager. Julie began employment on April 27th as Clerk I / Messenger.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported BPA has sent out an invitation to utilities who are potentially interested in participating with them on a Smart Grid research project. The details of the project remain to be worked out; however, the District has decided to submit a letter of interest. A final decision is not needed for a couple of months if we decide to apply and then we may or may not be selected.

The rate case with BPA is moving forward with some good news. Thanks to late improvement in water conditions, some spending reductions identified in the Integrated Program Review process and expanded borrowing authority, which helps out with BPA's liquidity issues, it appears the rate increase will be closer to 6% vs. the previously indicated 9.4%.

The District's activities in the wholesale markets will be increasing significantly due to White Creek and Harvest Wind projects, changes in how we sell Swift surplus post-2011 and with the Slice contract and potential customer generation. Given that, the District will be joining Western Systems Power Pool. Their standards for agreement and related activities are the standard protocol for conducting wholesale transactions in the western system.

As a follow up to the recent customer survey and to understand those results better, two focus group meetings were conducted Monday evening, May 11. The two groups consisted of a mix of customers. As a whole, these two meetings reconfirmed the customer survey results.

Staff / Director's Reports

Don McMaster, Chief Operating Officer – Presented the Customer Services April Board report.

Don also reported the afternoon of July 7 has been set for a Strategic Planning workshop with the Board and staff; the building expansion and yard improvement at the Operations center continues to move forward; and security bid proposals were due this week.

Monte Roden, Director of Operations and Tia Christina, GIS Manager – Presented the Operations and Engineering April Board reports. To date 18,186 AMI meters have been installed into the system. The designer job map system has been completed and implemented. Monte reported in April at the Northwest Public Power Association Annual Engineering and Operations Conference the District took second place for the 2008 NWPPA Safety Award. The award is determined by who has the least amount of OSHA reported safety incidents within their category.

Agenda Action Items

Motion:

Ted Sprague, President of Cowlitz Economic Development Council, presented the 2009 CEDC and Cowlitz PUD Marketing Partnership Plan for the Commissioners' approval. He stated the only revision to the plan is to utilize the FTM Associates LLC in a recruitment assistance program. The marketing program began April 13, 2009 and will conclude October 13, 2009. This service will assist by aggressively pursuing all leads with potential for success in Cowlitz County. This service issues weekly reports on large industrial projects and gives the CEDC the

opportunity to capture businesses that are looking but have not yet finalized location plans.

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady that the Board of Commissioners approves the 2009 Cowlitz Economic Development Council and Cowlitz PUD Marketing Partnership Plan. Motion carried.

Staff Recommendations:

No. 12/5/12 – Acceptance of 2005 – 2009 Vegetation Management Contract

Operations Superintendent Ray Johnson reported the 2005 – 2009 Vegetation Management Contract with Asplundh Tree Experts Company was completed April 5, 2009. Asplundh provided productive, well trained, professional employees for trimming, seasonal spray and cross-country climbing. Commissioner McCrady moved to approve the contract as complete and seconded by Commissioner Ketcham. Motion carried.

No. 13/5/12 – Approval to purchase an Altec Manlift

Operations Superintendent Steve Brock reported the District has an opportunity to purchase an Altec TA-60 manlift that is a demonstration model. Some of our line crews operated the manlift and Steve received positive feedback from the crews. By purchasing this equipment, we will not have to order a manlift next year to replace Unit No. 67, which is over 13 years old and eligible for replacement under the District's Vehicle Replacement Policy. Unit No. 67 is a TECO manlift and has had a number of issues regarding the boom getting stuck in a particular position requiring the mechanics to have to respond. Also TECO is no longer in business and replacement parts are not available. The Altec manlift is in excellent shape; equipped already to meet the District's needs and is priced to offer a very good savings. Commissioner McCrady moved to purchase the manlift and seconded by Commissioner Ketcham. Motion carried.

Resolution No. 2618:

A RESOLUTION Authorizing District Funds to be invested in the Local Government Investment Pool.

Treasurer Marilyn Miller reported the Local Government Investment Pool is a fund consisting of local government funds, managed by the Washington State Treasurer's Office. The LGIP was authorized by the Legislature in 1986 to enable political subdivisions to participate with the state in the investment of surplus funds. To date the District has managed investments independently, which requires the time to research, evaluate investment choices, investment mixes and maintain necessary records. Commissioner McCrady moved to adopt the resolution and seconded by Commissioner Ketcham. Motion carried.

Motion:

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady that the Board of Commissioners authorizes the General Manager on behalf of the District to sign the Amendment to the Lewis River Settlement Agreement resolving the inconsistencies between the Agreement and the new FERC License for Swift No. 2. Motion carried.

Travel Authorization No. T-245:

Commissioner Ketcham moved and seconded by Commissioner McCrady authorizing Commissioners Piper, McCrady and Ketcham to attend the 2009 APPA National Conference scheduled for June 13 – 17, 2009 in Salt Lake City, Utah. Motion carried.

Board Reports and Discussions


Commissioner Piper – Stated a Special Board meeting is necessary for the purpose of entering into Executive Session to conduct the General Manager’s annual performance evaluation. The meeting was set for Friday, May 22 at 9:30 a.m. in the Board room.

Other Business: None

Comments:

From the General Manager – Brian gave a brief power point presentation on the Greenhouse Gas Emissions Reduction - Electric Supply Options by R.W. Beck company.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, May 26, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:35 p.m.

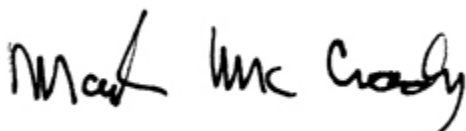


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board