

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of July 14, 2009
PUD Auditorium**

Present:**Commissioners:**

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

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager
Don McMaster, Chief Operating Officer
Royce Hagelstein, Director of Acctg. & Finance
Dave Andrew, Mgr. Comm. & Govt. Affairs
Doug Thomas, Engineer Property Supervisor
Sandy Willman, Executive Assistant

Pat Lloyd, Auditor
Rick Syring, Director of Engineering
Tom Loback, Director of Customer Services
Monte Roden, Director of Operations
Jim Wellcome, Conservation Manager
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Public:

Dorothy Hanson

Media:

Betty Wilson, KYLK

Guest:

Jim Oakley, Energy Northwest

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 June 23, 2009 were approved as published.

Approval of Vouchers of \$3,839,849.13 – 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 July 14, 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	11476 – 11797*	\$ 2,454,640.95
Swift Revenue	02284 – 02287	438,315.09
Payroll	1766 – 1767	946,472.09
Water	06539	421.00

*Voucher No. 11710 was voided.

Comments from the General Public – Customer Dorothy Hanson asked if the AMI will work with the Smart Grid. The General Manager gave a short explanation of the AMI technology and its capabilities.

Jim Oakley of Energy Northwest – Updates were given on the Radar Ridge wind project and the proposed Natural Gas Combined Cycle plant in Kalama. Energy NW is also possibly looking at

developing small nuclear modular units, a large nuclear plant and a wind farm in the Prosser, Washington area.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported BPA has issued its Draft Record of Decision (ROD) in the Rate Case and it should be finalized by the end of the month. This ROD, coupled with the budgeting process will result in a recommended rate increase effective October 1.

The Harvest Wind project continues to move forward. Brian attended a finance meeting in Portland on Wednesday, July 8. An alternative financing approach was discussed. Wind components have begun to arrive at the Port of Longview and site activities continue to increase. The next major thrust will be to complete the foundations to allow Siemens to deliver WTG components to the project.

Break: 3:30 p.m.

Reconvened: 3:35 p.m.

Staff / Director's Reports

Tom Loback, Director of Customer Services – Presented the June Board report. He also reported the District will begin to use *OnLine Utility Exchange* for use in Customer Services. Some of the advantages include instant verification of SSN and other information supplied by new customers, instant deposit decisions customized by the District for Customer Service, protects the District from bad debt by forcing a maximum deposit and it is a paperless credit reporting to assist in Red-Flag regulations. This will speed the process for both our customers and the Customer Services department. This will be implemented on August 1st.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – Presented their June Board report. Monte reported the reconductoring to improve reliability for the Lewis River area has begun. He also reported the District will be receiving from FEMA approximately \$709,375 to recover expenses from the winter's snow and flood event. Rick reported AMI installations are nearly 50% complete with nine substations having AMI communications installed.

Don McMaster, Chief Operating Officer – Provided updates on Project Focus, security upgrades, and the water system.

Agenda Action Items

Motion: (Tab 3, Board packet)

Motion was made by Commissioner McCrady and seconded by Commissioner Ketcham that the Board of Commissioners authorizes the General Manager on behalf of the District to execute a Letter of Commitment and Funding Agreement for Northwest Energy Efficiency Alliance in support of their 2010 – 2015 Business Plan. Motion carried.

Staff Recommendation:

No. 19/7/14 – Transfer of Accounts to Reserve for Bad Debts (Tab 4, Board packet)

Auditor Pat Lloyd requested authorization to transfer 265 accounts to Reserve for Bad Debts. These accounts are terminated services during the first quarter of 2008. Commissioner Ketcham moved to authorize the transfer and seconded by Commissioner McCrady. Motion carried.

Resolution No. 2622: (Tab 5, Board packet)

A RESOLUTION Approving the Terms of the Collective Bargaining Agreement Between the International Brotherhood of Electrical Workers, Local Union No. 77, and Public Utility District No. 1 of Cowlitz County, Washington; Authorizing the District's General Manager to Sign the Same; Adopting the Contract Changes Set Forth Therein and Rescinding all Resolutions and/or Part of Resolutions in Conflict Therewith; and, Approving the Public Notice for Excess Compensation as Required by Chapter 41.50 RCW.

Human Resources Manager Steve Lafady reported labor negotiations have been carried out between the District and Local IBEW Union No. 77 and a tentative Agreement on the terms and conditions covering the Union employees of the District have been reached. The Contract reached is effective from April 1, 2009 through March 31, 2012. Commissioner McCrady moved to adopt the resolution and seconded by Commissioner Ketcham. Motion carried.

Board Reports and Discussions

Board Discussion – Conversation regarding a rate increase proposed for October 1st took place including a discussion regarding general services charges, infrastructure facility charges and budget rate. The District's involvement with the Economic Development Council was also discussed.

Brian asked Commissioner Ketcham in the future to give an update on his participation with Energy Northwest on a regular basis. Commissioner Ketcham will include it with his Board reports.

Other Business: None

Comments:


From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: None

From the General Public: Betty Wilson commented that the meeting was exceptional.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, July 28, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 5:30 p.m.

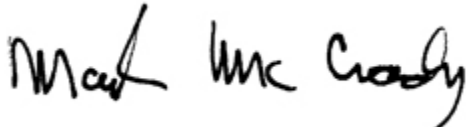


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board