

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of September 23, 2008
PUD Auditorium**

Present:**Commissioners:**

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

Mark McCrady, Secretary

Staff:

Brian Skeahan, General Manager
Pat Lloyd, Auditor
Gary Huhta, Director of Power Management
Royce Hagelstein, Dir. of Acctg. & Finance
Monte Roden, Director of Operations
Sherry Crayne, Director of Customer Services
Sandy Willman, Admin. Asst. to the General Mgr.

Don McMaster, Chief Operating Officer
Rick Syring, Director of Engineering
Steve Lafady, Human Resources Manager
Ray Johnson, Operations Superintendent
Casey Kalal, Electrical Engineer
Jeff Moses, Purchasing Manager
Diana MacDonald, Mgr. Environmental & Regulatory Services

Media:

Betty Wilson, KLTV

Public:

John Searing

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 Regular Board Meeting of September 9, 2008 were approved as published.

Approval of Vouchers of \$18,123,506.05 – 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 September 23, 2008, under provisions of Resolution No. 1421. Motion was made by Commissioner McCrady to approve the vouchers and seconded by Commissioner Piper. Motion carried. Warrants drawn to cover said vouchers are as follows:

<u>Fund</u>	<u>Voucher Nos.</u>	<u>Amount</u>
Electric Revenue	06992 – 07173*	\$13,962,070.66
Swift Revenue	02176 – 02180	3,704,945.33
Water Revenue	06526	4,321.00
Payroll	1746	452,169.06

* Vouchers Nos. 07158, 07002 and 07066 are voided.

Introduction of new employee – Sherry Crayne introduced our new Customer Services Representative Shawnee McCown.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported that utilities have until November 1, 2008 to implement a written program to comply with the Federal Trade Commission's new rule on identity theft. The new rule is referred to as the "red flags identity theft rule." There is an internal committee assembled to draft the policy for the Board's consideration and approval at the October 28th Board meeting. Brian and Power Management continue to review BPA contracts page by page. A workshop will be scheduled for the Board's review in the near future. BPA released this afternoon its Final Record of Decision (ROD) in the WP-07 supplemental rate case being held in order to establish new power rates for FY2009 and to determine new benefit amounts for customers of investor-owned utilities following the 9th Circuit Court decisions last year that found the prior settlements illegal. A conference call is scheduled for Monday to discuss the decision.

Staff / Director's Reports

Royce Hagelstein, Director of Accounting & Finance – Presented the August Board report. Royce also presented the 2009 preliminary budget. Brian noted the departments' Directors were very responsible on their initial budget requests and was well thought out. Budget workshops are scheduled with the Board on November 14th and 17th.

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

Board Reports

Commissioner Ketcham – Reported he attended on September 17th the Swift license issuance celebration at Lake Merwin.

Commissioner Piper – Reported he attended the WPUA meetings in Port Angeles last week. The Legislative Committee discussed the 2009 Legislative session and numerous items that will be addressed.

Commissioner McCrady – Reported he attended on September 17th the Swift license issuance celebration at Lake Merwin. He noted that Diana MacDonald did a great job and appreciated all her hard work.

Agenda Action Items

Staff Recommendations:

No. 27/9/23 – Acceptance of Work Performed on Contract No. UC1381 – Henkels & McCoy, Inc. – 2007 Plow Project

Engineer Casey Kalal reported the District entered into this contract to provide installation services for the District's annual underground primary cable replacement plow project for 2007. All projects under this contract have been completed and have met all of the District's requirements. Motion was made by Commissioner Piper to approve the contract as complete and seconded by Commissioner McCrady. Motion carried.

No. 28/9/23 – Bid Award – 2008 Transmission & Distribution Pole Inspection and Treatment Project, Contract No. UC1446

Rick Syring reported the bid proposal was distributed to ten prospective pole inspection and treatment contractors. The District received four valid bids. Based on the lowest verified bid and qualifications, it was recommended that the Project be awarded to Osmose Utilities Services, Inc. Motion was made by Commissioner Piper to award the contract to Osmose Utilities and seconded by Commissioner McCrady. Motion carried.

No. 29/9/23 – Bid Award – 2008 Underground Distribution System Facilities, Contract No. UC1447

Operations Superintendent Ray Johnson reported the bid proposal was distributed to 38 qualified contractors. The District received two valid bids. Based on the lowest responsible bid and qualifications, it was recommended that the Project be awarded to Richard Lee Construction. Motion was made by Commissioner McCrady to award the contract to Richard Lee Construction and seconded by Commissioner Piper. Motion carried.

Other Business: None

Comments:

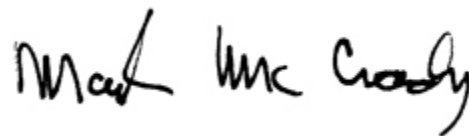
From the General Public: None

From the General Manager: None

From the Chief Operating Officer: Don McMaster reported the Security Committee met for the first time this morning to discuss WECC requirements for SCADA and dispatch center. He also reported Operations and Engineering have been working with Cascade Networks on AMI and the reliability of our system. All capital improvement projects for next year are being prioritized. At the end of September, AAC will be here to establish the schedule for starting projects.

From the Commissioners: None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, October 14, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 4:04 p.m.



Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Administrative Assistant to
the General Manager