

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of May 11, 2010

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
Rick Syring, Director of Engineering
Dave Andrew, Mgr. Comm. & Govt. Affairs
Royce Hagelstein, Director of Acctg. & Finance
Sandy Willman, Executive Assistant
Heather Allen, Risk Manager
Nancy Appleton, CIS Administrator
Suzi Walker, Project FOCUS

Paul Brachvogel, General Counsel
Pat Lloyd, Auditor
Doug Wood, Director of IS
Monte Roden, Director of Operations
Sharyl Whitmire, Credit Services Manager
Chris Marlowe, Operations Superintendent
Diana MacDonald, Mgr. Environmental &
Regulatory Services
Cheryl Krueger, Controller

Media:

Betty Wilson, KLTV

Public:

Grant Sawyer
Ron Worthington

Guest:

Jim Oakley of 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 April 27, 2010 were approved as published.

Approval of Vouchers of \$3,125,615.97 – 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 11, 2010, 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	16452 – 16700*	\$2,594,655.06
Swift Revenue	02403 – 02404	3,988.88
Payroll	1789	526,972.03

*Voucher No. 16511 was voided.

Comments from the General Public – None

Jim Oakley of Energy Northwest – Updates were given of the Radar Ridge wind project, Columbia Generating Station, Packwood Lake hydro project and Kalama Energy. Energy Northwest has signed a contract with a private company to develop a natural gas generation plant in Kalama. ENW will build and operate the plant. He also reported interviews for the replacement of the CEO position have been completed and they are now conducting background checks on the finalist.

Presentations and Reports from Staff / Directors (Informational, Non-Action)

Brian Skeahan, General Manager – Provided an update on BPA's quarterly budget review. Given poor water conditions, BPA's recent forecast shows a fall in their overall reserves of about 40%. How BPA decides to model risk and the use of their reserves will be the main force that determines the size of a power rate increase they may ask for in the upcoming rate case.

Doug Wood, Director of IS – Presented the monthly status report of Project FOCUS.

Nancy Appleton, CIS Administrator and Sharyl Whitmire, Credit Services Manager – Presented the April Customer Services Board report.

Rick Syring, Director of Engineering and Chris Marlowe, Operations Superintendent – Presented the April Board report. Rick mentioned the high production months for the AMI project are behind us and it will be fully operational in 2012 when the new billing system has been completed.

Don McMaster, Chief Operating Officer – Provided updates on the construction progress of the new technical building at Operations and the new server room in the main office. Both projects are on schedule.

Agenda Action Items

Travel Authorization No. T-248

Commissioner Ketcham moved to approve the Travel Authorization for Commissioners Piper, Ketcham and McCrady to attend the NWPPA Annual Conference and Membership Meeting being held May 23 – 27, 2010 in Sacramento, California. It was seconded by Commissioner McCrady. Motion carried.

Motion:

Commissioner McCrady moved and seconded by Commissioner Ketcham that the Regular Commission meeting of May 25, 2010 be cancelled in order for Commissioners Piper, McCrady and Ketcham may attend the NWPPA Annual Conference and Membership meeting scheduled for May 23 – 27, 2010 in Sacramento, California. Motion carried.

Board Reports and Discussions

Board Discussion – As discussed at the Regular Board meeting of April 27, 2010, further discussion took place regarding the District's current deposit policy. Sharyl Whitmire, Credit Services Manager, reported that in 2009 due to the economic environment the District began extending deposit payment arrangements out over a four-month period. She also presented an analysis of deposits vs. bad debt write-offs, which illustrated the decrease in write-offs due to the deposit policy revision of 2005 and changing to monthly billing in 2006. A deposit utility comparison and bad debt write-off survey was conducted of 16 other similar utilities. Through

that study it was noted that most of the utilities required a two-month deposit of the highest bill at a residence and would also request additional deposits to reach the highest two-month total.

Board Reports – Commissioner Ketcham stated the Sixth Power Plan had been published. He suggested a workshop be scheduled to discuss what the expectation is from the Plan. Brian stated the Plan is not binding and doesn't obligate public utilities to anything. Therefore, there are no concerns.


Commissioner Piper read a letter the District received from Paul Youmans of Pathways 2020 congratulating Cowlitz PUD for being selected as a Champion of Healthy Lifestyles. This was in recognition for collecting over four tons of food for the Help Warehouse and the commitment to our community. The award will be presented at a future meeting.

Other Business: None

Comments:


From the General Manager: None
From the Commissioners: None
From the Chief Operating Officer: None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, June 8, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:30 p.m.

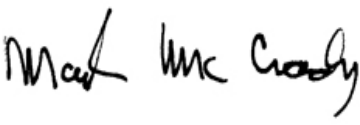


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board