

**PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON**

**MINUTES OF MEETING OF COMMISSIONERS**

**January 10, 2012**

**John Searing Auditorium**

**Present:**

**Commissioners:**

Mark McCrady, President

Edward 'Ned' Piper, Secretary

Merritt "Buz" Ketcham, Vice President

**Staff:**

Brian Skeahan, General Manager

Paul Brachvogel, General Counsel

Sandra Willman, Executive Assistant

Don McMaster, Chief Operating Officer

Royce Hagelstein, Auditor

Gary Huhta, Dir. of Power Management

Robbie Berg, Human Resources Manager

Rick Syring, Interim Director of Operations

Trent Martin, Dir. of Accounting & Finance

Ray Johnson, Interim Dir. of Engineering

Doug Wood, Dir. of Information Services

Dave Andrew, Dir. of Customer Services

Steve Brock, Superintendent Operations

Brent Arnold, Marketing Director

Heather Allen, Risk Manager

**Public:**

Attached list

**Media:**

Betty Wilson, KLTV

**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 McCrady.

**Board Reports and Discussions** – Commissioner Piper stated he recently attended a community forum sponsored by Ken Botero and that some of the attendees at today's meeting were the same. Pro-rate was the subject at hand.

Motion was made by Commissioner Piper that the Board of Commissioners direct the General Manager to have staff conduct a study including cost factor and timeline to consider a retroactive pro-rate of the November 1, 2011 rate increase. Motion was seconded by Commissioner Ketcham. Motion carried.

Motion was made by Commissioner Piper that the Board of Commissioners authorize all future electric rate increases be pro-rated. Motion was seconded by Commissioner Ketcham. Motion carried.

Commissioner Piper mentioned that customers need to understand not all retroactive credits would be the same.

Before Commissioner McCrady opened the meeting for public comment, he asked the General Manager to give the same presentation he gave at the public rate hearing for those that did not attend that hearing. The presentation explained what was driving the higher costs and reduced sales.

Commissioner McCrady opened the meeting for public comment. Customers Doris Disbrow, David Schooling, Jerry Reagor, Liz Hamilton, and Louis Erhardt gave comments.

Break: 3:35 p.m.  
Reconvened: 3:45 p.m.

Customers Sherry Davis, Ted Sprague, Carmen Harrison, Cora Risley and Don Smith gave comments. All comments were acknowledged by the Commissioners. Commissioner McCrady closed public comment.

**Board Comments** – Commissioner Piper reported the District will be mailing soon a newsletter to all its customers and encouraged them to take time to read it.

**Approval of the Minutes** – The minutes of the regular Board meeting of December 13, 2011 were approved as published.

**Approval of Vouchers of \$21,885,159.40** – The Commission reviewed vouchers audited and certified by Auditor Royce Hagelstein as required by RCW 42.24.080 and RCW 42.24.090 for which warrants were issued on January 10, 2012, under provisions of Resolution No. 1421. Motion was made by Commissioner Ketcham to approve the vouchers and seconded by Commissioner Piper. Motion carried. Warrants drawn to cover said vouchers are as follows:

<u>Fund</u>	<u>Warrant Nos.</u>	<u>Amount</u>
Accounts Payables	9363 – 9811*	\$21,205,266.12
Payroll	12/23/2011 & 1/06/2012	679,893.28

\* Warrant No. 9852 was voided.

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

**Brian Skeahan, General Manager** – Briefed the Commissioners on Environmental Redispatch Policy and energy imbalance.

**Don McMaster, Chief Operating Officer** – Reported a meeting has been scheduled for tomorrow with BPA regarding the Washington Way 115 kV transmission line sale.

**Doug Wood, Director of Information Services** – Provided an update on Project FOCUS.

**Rick Syring, Director of Operations & Ray Johnson, Director of Engineering** – Presented the December Board Reports. Rick reported due to being proactive with the Capital Plan, outages and response time have improved. All AMI meters have been installed.

**Dave Andrew, Director of Customer Services** – Presented the December Board Report.

**Gary Huhta, Director of Power Management** – Developing a wind marketing plan was discussed. Presently it is a buyers' market, however it appears the market was beginning to move. The plan will be presented at a Board meeting in the near future.

### **Agenda Action Items**

**Staff Recommendation No. 1/01/10 – Acceptance of Work – Main Office Generator Project, Contract No. UC1534**

Operation Superintendent Steve Brock reported the generator was successfully tested in December and was now in full service to operate during outage situations. Every four weeks a full load transfer test has been scheduled. Commissioner Ketcham moved to approve the contract as complete and seconded by Commissioner Piper. Motion carried.

**Staff Recommendation No. 2/01/10 – Revised Travel Policy No. AD-2 and Revised Vehicle Use Policy No. AD-6**

Risk Manager Heather Allen recommended minor revisions to both policies which will bring them compatible with the District's insurance policy. Commissioner Ketcham moved to adopt the revisions and seconded by Commissioner Piper. Motion carried.

**Staff Recommendation No. 3/01/10 – Transfer of Accounts to Reserve for Bad Debts – Fourth Quarter 2011**

Auditor Royce Hagelstein requested the transfer of 268 accounts that were terminated services during the fourth quarter of 2010 to Reserve for Bad Debts. The Credit Services department and RPM agency would continue collection action on these accounts. Commissioner Ketcham moved to authorize the transfer and seconded by Commissioner Piper. Motion carried.

**Motion:**

**That** the Board of Commissioners approve the 2012 organizational memberships to which the District belongs and the appointment of delegates as needed.

Commissioner Ketcham moved to adopt the 2012 organizational memberships and seconded by Commissioner Piper. Motion carried.

**Other Business – None**

**Comments:**

**From the General Manager – None**

**From the Commissioners – None**

**From the Chief Operating Officer – None**

**Motion:**

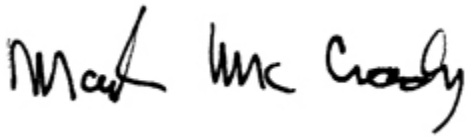
Motion was made by Commissioner Ketcham and seconded by Commissioner Piper that the meeting be recessed to Executive Session for the purpose of potential litigation and personnel matters pursuant to RCW 42.30.110 for a period not to exceed approximately 40 minutes duration. No action will be taken as a result of the Executive Session. The Motion carried and the meeting was recessed to Executive Session at 5:05 p.m. In attendance were Commissioners McCrady, Ketcham, Piper, Brian Skeahan, Paul Brachvogel, Gary Huhta and Robbie Berg.

**Adjournment** – The next regular Board meeting of the Commission would be held Tuesday, January 24, 2012 at 2:00 p.m. in the John Searing Auditorium. The meeting was adjourned at 5:55 p.m.



Secretary

Attest:



President



Vice President

Prepared by \_\_\_\_\_  
Sandra Willman, Clerk of the Board