

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of October 11, 2011
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
Trent Martin, Dir. of Accounting & Finance
Dave Andrew, Mgr. Comm. & Govt. Affairs
Gary Huhta, Director of Power Management
Ray Johnson, Interim Dir. of Engineering
Sharyl Whitmire, Credit Services Supervisor

Don McMaster, Chief Operating Officer
Royce Hagelstein, Auditor
Rick Syring, Director of Engineering
Doug Wood, Director of IS
Diana MacDonald, Mgr. Environmental &
Regulatory Services
Heather Allen, Risk Manager

Media:

Betty J. Wilson, KLTV

General Public:

Bill Hallanger
Grant Sawyer
Doug Irvine

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.

Approval of the Minutes – The minutes of the regular Board meeting of September 27, 2011 were approved as published.

Approval of Vouchers of \$3,259,616.82 – 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 October 11, 2011, 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	7377 – 7780*	\$2,903,552.81
Payroll	9-30-11	356,064.01

* Warrant No. 7559 was voided.

Comments from the General Public for Non-Agenda Items – Bill Hallanger presented the Commissioners with a package of LED lights asking the District to advertise LED bulbs vs. fluorescent bulbs. He stated the LED bulbs use less electricity, last longer and are brighter.

**Statutory Budget Hearing
To Determine whether it will be Necessary to Request a
Property Tax Levy for the Year 2012**

Auditor Royce Hagelstein presented the preliminary proposed budget summaries for 2012. There were no comments from the public. Motion was made by Commissioner Piper and seconded by Commissioner Ketcham to not request a tax levy for the year 2012 and to adjourn the budget hearing until Tuesday, December 13, 2011, at which time the final budget shall be adopted. Motion carried.

Agenda Action Items

Staff Recommendation No. 28/11/11 – Transfer of Accounts to Reserve for Bad Debts, Third Quarter 2011

Auditor Royce Hagelstein requested to transfer 268 terminated accounts to Reserve for Bad Debts. The accounts are from the second quarter of 2010 totaling \$45,575; \$20,000 less than the previous year. Through continued collection efforts \$14,717 was also recovered from previously transferred accounts to Reserve for Bad Debts. Commissioner Ketcham moved to transfer the accounts and seconded by Commissioner Piper. Motion carried.

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

Brian Skeahan, General Manager and Royce Hagelstein, Auditor – Royce gave a presentation providing information on the 2012 financial outlook and the proposed rate increase. Brian explained in further detail the main drivers of the proposed rate increase which were an expected decrease in industrial sales, reduced wind sales, Conservation Initiative I-937, energy conservation program funding, BPA contract, loss of Mid-Columbia hydro, downturn of market power prices and the electrical infrastructure.

Customer Doug Irvine asked about load leveling under the new AMI metering and the capability of viewing your own consumption on the computer to aid in conservation. The meter project will be completed in 2012 and the program rolled out after it has been tested and error free results.

Don McMaster, Chief Operating Officer – Provided an overview of the Day of Training, cross-training of several staff positions, BPA transmission meeting and Phase 1 of Project FOCUS.

Doug Wood, Director of Information Services – Presented the September Project FOCUS monthly Board report.

Sharyl Whitmire, Credit Services Manager – Presented the September Customer Services Monthly Board report.

Rick Syring, Interim Director of Operations and Ray Johnson, Interim Director of Engineering – Presented the September Board report.

Board Reports and Discussions – None

Other Business – None

Comments:


From the General Manager – None

From the Commissioners – None

From the Chief Operating Officer – None

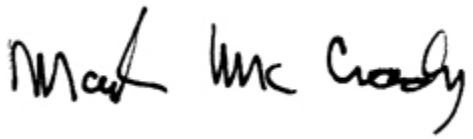
Motion:

Motion was made by Commissioner Ketcham and seconded by Commissioner Piper that the meeting be recessed and reconvened at 7:00 p.m. that evening in the PUD's John Searing Auditorium for the purpose of a public rate hearing and opportunity for public comment on a proposed electric rate increase. Motion carried. Meeting was recessed at 4:20 p.m.



Secretary

Attest:



President

Motion carried that Commissioner Ketcham attend the Regular Board Meeting of October 25, 2011 via teleconference

Vice President

Prepared by _____
Sandra Willman, Clerk of the Board