

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

**MINUTES OF MEETING OF COMMISSIONERS**

**Regular Meeting of June 28, 2011**

**John Searing Auditorium**

**Present:**

**Commissioners:**

Mark McCrady, President  
Merritt "Buz" Ketcham, Vice President

Edward "Ned" Piper, Secretary

**Staff:**

Brian Skeahan, General Manager  
Paul Brachvogel, General Counsel  
Sandra Willman, Executive Assistant  
Rick Syring, Director of Engineering  
Diana MacDonald, Mgr. Environmental &  
Regulatory Services  
Robbie Berg, Human Resources Manager  
Tom Loback, Director of Customer Services  
Jeff Moses, Purchasing Manager  
Tia Christina, GIS Manager

Don McMaster, Chief Operating Officer  
Royce Hagelstein, Auditor  
Heather Allen, Risk Manager  
Dave Andrew, Mgr. Comm. & Govt. Affairs  
Chris Hill, Mgr. of Power & Trans. Policy  
Monte Roden, Director of Operations  
Ray Johnson, Superintendent  
Casey Kalal, Standards Engineer  
Tim Johnston, Mgr. Substation Engineer  
Cheryl Krueger, Controller & Treasurer

**General Public:**

Grant Sawyer  
Mark Smith  
Fred Starkel

**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.

**Approval of the Minutes** – The minutes of the regular Board meeting of June 14, 2011 were approved as published.

**Introduction of New Employees** – The following new employees were introduced to the Commissioners: Temporary Clerk I Lauren Woods, Engineering Interns Kyle Wishard and Jonathan Connelly and Temporary Flagger Kaleb Carr.

**Gratitude to Retiring Director of Operations** – Commissioner McCrady thanked Monte Roden for his 33+ years of dedicated service with the PUD and wished him a very happy retirement.

**Approval of Vouchers of \$15,486,802.08** – 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 June 28, 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	4711 – 5047	\$14,837,504.01
Payroll	5-13-11 & 6-24-11	649,298.07

**Comments from the General Public for Non-Agenda Items** – Customer Fred Starkel complimented the progressive approach of the District and believes we are one of the best Public Utility Districts. He also expressed his opinion regarding the Customer Basic Service Charge. Commissioner McCrady will be following up with Mr. Starkel. The Commissioners thanked him for coming.

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

**Brian Skeahan, General Manager** – Provided an update of the request for the PUD to acquire and take over operation of the US Forest Service power line on Highway 504. The feasibility study will be performed by Tri Axis Engineering. Discussions for sharing the cost of the study with the Forest Service and Cowlitz County continue. The County has agreed to contribute \$5,000. The District is waiting for the Forest Service to respond.

Brian also provided updates on Smart Grid Roadmap and franchise agreements progress with the Cities of Kelso, Kalama, Castle Rock and Woodland.

**Tia Christina, GIS Manager** – Presented an overview of the GIS mapping system and all of the data that it maintains of the PUD facilities.

**Chris Hill, Mgr. of Power & Transmission Policy** – Presented the June Power Management Board Report.

**Cheryl Krueger, Controller** – Presented the June Accounting and Finance Board report.

**Agenda Action Items**

**Staff Recommendations:**

**No. 19/6/28** Bid Award – Three-Year Arrangement for the Supply of No. 2 and No. 4/0 Underground Primary Cable (Tab 3, Board Packet)

Purchasing Manager Jeff Moses and Standards Engineer Casey Kalal reported the District received five proposals from cable manufacturers. The successful bidder will provide the District with No. 2 and No. 4/0 Aluminum EPR underground primary distribution cable on an as-needed-basis over a three-year period. The contract provisions will include possible one-year extensions. After evaluating the bids it was determined to award the contract to General Cable. Commissioner Ketcham moved to accept the recommendation and seconded by Commissioner Piper. Motion carried.

**Break:** 3:35 p.m.

**Reconvened:** 3:40 p.m.

**No. 20/6/28** Authorization of Rate Schedule 8 ED-1 for Bennu Glass in Accordance with the District's Economic Development Policy AD-3 (Tab 4, Board Packet)

Auditor Royce Hagelstein reported under Section IV of Policy AD-3, the District may offer a customer a contract rate for new or expanded load, which directly results in the creation of new jobs within Cowlitz County. Bennu Glass qualified for service under Schedule 8 – Large Commercial and Industrial Service Primary Voltage Delivery. After reviewing the District's recent Cost of Service Analysis, it was determined the District could provide service at the 20% discounted rate for the 24-month period provided by the Policy. The proposed rate schedule stated that the rate will be based on the current cost of power supplied by BPA and was subject to change based upon outcome of the current BPA rate case, future rate cases during the term of the agreement, rate adjustments imposed by BPA and changes in applicable taxes imposed upon the District. Commissioner Ketcham moved to adopt the Bennu Glass rate schedule and seconded by Commissioner Piper. Motion carried. Commissioner Ketcham announced the District was delighted to have Bennu Glass becoming part of our community.

**Motion:**

Commissioner Ketcham moved that the Board of Commissioners authorizes the General Manager to retain the District's membership with the Washington Public Utility Districts Association effective April 29, 2011. Motion was seconded by Commissioner Piper. Commissioner Ketcham stated due to the change of landscape and dynamics at the WPUDA he desired to continue the District's membership one more year. Commissioner Piper agreed. He is excited about the Association's future after recently meeting with their new Executive Director George Caan. Commissioner McCrady agreed George Caan should be given an opportunity. General Manager Brian Skeahan stated George should be given one year to change the direction of the Association, however if nothing does change the District's continuation of membership will be revisited in one year. Brian will be looking for input throughout the year from the Commissioners. Commissioners Ketcham and Piper were in favor of the motion. Commissioner McCrady was opposed. Motion carried.

**Board Reports** – Commissioner Piper reported while he was attending the APPA National Conference in Washington, D.C. last week he had a 15 minute meeting with Congresswoman Jaime Herrera Beutler. They discussed the nomination of American Rivers. It was a positive meeting and the Congresswoman said she would support the utilities on this matter.

Commissioner Ketcham reported last week he attended Tanner Electric Coop's 75<sup>th</sup> Anniversary celebration. Cowlitz PUD's safety trailer was borrowed for the event and demonstrations were given by Commissioner Ketcham.

**Other Business** – None

**Comments:**

**From the General Manager** – Brian asked if there was any new information regarding Columbia Generating Station maintenance shutdown. Commissioner Ketcham said the shutdown of the plant has been extended.

**From the Commissioners** – None

**From the Chief Operating Officer** – Regarding the key retirement of Monte Roden, Director of Engineering Rick Syring will be temporarily assigned for six months as Director of Operations. Interviews for Interim Director of Engineering have begun. Brian explained the purpose of the temporary interim and that it presented a unique opportunity to hire from within.

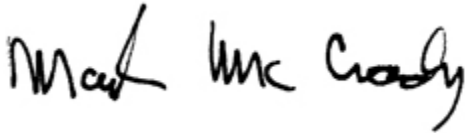
**Comments from the General Public** – Customer Mark Smith expressed his appreciation for the District’s cooperation regarding the US Forest Service power line matter on Highway 504.

**Adjournment** – The next regular Board meeting of the Commission would be held Tuesday, July 12, 2011 at 2:00 p.m. in the John Searing Auditorium. The meeting was adjourned at 4:35 p.m.



Secretary

Attest:



President



Vice President

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