

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

**MINUTES OF MEETING OF COMMISSIONERS  
Regular Meeting of May 10, 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  
Cheryl Krueger, Controller  
Gary Huhta, Director of Power Management  
Diana MacDonald, Mgr. Environmental &  
Regulatory Services  
Rick Syring, Director of Engineering  
Robbie Berg, Human Resources Manager  
Steve Brock, Operations Superintendent

Don McMaster, Chief Operating Officer  
Pat Lloyd, Auditor & Treasurer  
Heather Allen, Risk Manager  
Dave Andrew, Mgr. Comm. & Govt. Affairs  
Royce Hagelstein, Deputy Auditor  
Doug Wood, Director of IS  
Monte Roden, Director of Operations  
Steve Lafady, Retiring H R Manager  
Tom Loback, Director of Customer Services

**General Public:**

Rick Parker  
Pat Ortiz of Longview Fibre  
Alan Meyer of WEYCO  
Tim Haynes of WEYCO  
Craig Anneberg of NORPAC

**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 April 26, 2011 were approved as published.

**Introduction of new Human Resources Manager** – Retiring Human Resources Manager Steve Lafady introduced to the Commissioners his replacement Robbie Berg. Steve's last day with the District will be May 19, 2011.

**Approval of Vouchers of \$5,098,250.92** – The Commission reviewed vouchers audited and certified by Deputy Auditor Royce Hagelstein as required by RCW 42.24.080 and RCW 42.24.090 for which warrants were issued on May 10, 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	3529 – 3810*	\$4,742,952.16
Payroll	4-29-11	355,298.76

\* Warrant No. 3652 was voided.

**Comments from the General Public for Non-Agenda Items – None**

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

**Brian Skeahan, General Manager** – Briefed the Commissioners on the request from the U.S. Forest Service to take over their facilities up Spirit Lake Highway, SR 504. On April 29 several District employees met again with the U.S. Forest Service representatives, County Commissioner Jim Misner, property owners and business owners. The group asked that a feasibility study be completed for the District to take ownership of some or all of the line. There has been no discussion as to who will pay for the study. The District, the Forest Service and Cowlitz County would need to come to an agreement of payment that will not impact other rate payers.

On May 4 the District sent out a Request for Proposals seeking a qualified consulting partner to facilitate a Smart Grid Roadmap including its capabilities, future vision, retail rate design alternatives, demand side management and customer outreach. The vendor selection will be made Tuesday, June 7, 2011. Commissioner Ketcham asked to review the final list of vendors for the selection process. Commissioner McCrady suggested periodical workshops to keep them advised of the progress being made.

**Doug Wood, Director of Information Services** – Presented the April Project FOCUS Board report.

**Tom Loback, Director of Customer Services** – Presented the April Board report.

**Rick Syring, Director of Engineering and Steve Brock, Operations Superintendent** – Presented the April Board reports. Rick mentioned all of the AMI meters will be installed by the end of the year.

**Don McMaster, Chief Operating Officer** – Provided updates on the capital budget and the architectural services for reviewing the auditorium's security during Board meetings.

**Agenda Action Items**

**Motion:** (Tab 3, Board Packet)

**That** the Board of Commissioners delegates authority to the General Manager to execute the Revised REP Settlement Agreement on behalf of the Public Utility District No. 1 of Cowlitz County.

General Manager Brian Skeahan recapped the original REP Settlement Agreement and the revisions. The Revised Agreement included by reference all of the terms of the original Agreement except that it changed the Transition High Water Mark Threshold from 91% to 75%, the date for signing the Revised Agreement to June 3, 2011, and BPA's notification deadline to June 6, 2011.

Alan Meyer and Tim Haynes, Representatives from Weyerhaeuser, and Craig Anneberg of NORPAC, presented their comments and requested that the Commissioners not support the Revised Agreement. Pat Ortiz of Longview Fibre also asked the Commissioners to not support the Revised Agreement.

All three Commissioners remained certain to approve the Motion authorizing the General Manager to execute the Revised REP Settlement Agreement on behalf of the District. Commissioner Ketcham moved to approve the Motion and seconded by Commissioner Piper. Motion carried.

#### **Staff Recommendations:**

**No. 16/5/10** Acceptance of Work – Technical Services Building / Operations Yard Expansion Project, Contract No. UC1471 (Tab 4, Board Packet)

Operations Superintendent Steve Brock reported the District entered into Contract No. UC1471 with Team Construction in September 2009. The Relay, Meter and Transformer Departments have been in the building for eight months now and agreed it is a very functional space. The yard expansion of an additional four acres has given a much more efficient storage yard for the warehouse and transformer shop. The existing old building is being utilized by the Substation Department and warehouse. Commissioner Ketcham moved to authorize the acceptance of work for the completion of the Technical Services Building and Yard Expansion Project and seconded by Commissioner Piper. Motion carried.

**No. 17/5/10** Acceptance of Work – Security System Upgrade Project, Contract No. UC1465 (Tab 5, Board Packet)

Chief Operating Officer Don McMaster reported the Security System Upgrade Project was a multi-year project driven by WECC/NERC and other industry requirements for increased physical security for employees, facilities and equipment, including improved security for IT assets and customer information. The contract was awarded June 2009 to the successful bidder Cochran, Inc. The upgrade has been completed. Commissioner Ketcham moved to authorize the acceptance of work for the Security System Upgrade Project and seconded by Commissioner Piper. Motion carried.

**Resolution No. 2642:** (Tab 6, Board Packet)

**A RESOLUTION** Accepting the Resignation of Patrick J. Lloyd as Auditor of Public Utility District No. 1 of Cowlitz County, Washington; appointing Royce Hagelstein as Auditor. This Resolution Rescinds Resolutions Nos. 2434 and 2634 and All Other Resolutions in Conflict Therewith.

Commissioner Ketcham moved to adopt the resolution accepting Patrick Lloyd's resignation as Auditor and appointing Royce Hagelstein as Auditor. It was seconded by Commissioner Piper. Motion carried.

**Resolution No. 2643:** (Tab 7, Board Packet)

**A RESOLUTION** Accepting the Resignation of Patrick J. Lloyd as Interim Treasurer of Public Utility District No. 1 of Cowlitz County, Washington, and Appointing Cheryl Krueger as Treasurer, and Royce Hagelstein remaining as Deputy Treasurer; Authorizing Check Signatures; and Rescinding Resolution No. 2624 and All Other Resolutions in Conflict Therewith.

Commissioner Ketcham moved to adopt the resolution accepting Patrick Lloyd's resignation as Interim Treasurer and appointing Cheryl Krueger as Treasurer. Royce Hagelstein will remain Deputy Treasurer. It was seconded by Commissioner Piper. Motion carried.

**Travel Authorization No. T-251:** (Tab 8, Board Packet)

Commissioner Ketcham moved to approve the Travel Authorization for Commissioners McCrady, Ketcham and Piper to attend the NWPPA Annual Conference and Membership Meeting being held May 22 – 26, 2011 in Reno, Nevada. It was seconded by Commissioner Piper. Motion carried.

**Travel Authorization No. T-252:** (Tab 9, Board Packet)

Commissioner Ketcham moved to approve the Travel Authorization for Commissioner Piper to attend the APPA National Conference scheduled for June 17 – 22, 2011 in Washington, D.C. It was seconded by Commissioner McCrady. Motion carried.

**Motion:**

Commissioner Ketcham moved and seconded by Commissioner Piper that the Regular Commission meeting of May 24, 2011 be cancelled in order for Commissioners Piper, McCrady and Ketcham may attend the NWPPA Annual Conference and Membership meeting scheduled for May 22 – 26, 2011 in Reno, Nevada. Motion carried.

**Board Reports and Discussion** – Commissioner Ketcham recently attended Energy Northwest quarterly Board of Directors' meeting. He gave an update on the Columbia Generating Station and its scheduled outage.

**Other Business** – None

**Comments:**

**From the General Manager** – None


**From the Commissioners** – The Commissioners thanked Pat Lloyd for his 22 years of service to the District.


**From the Chief Operating Officer** – None

**Adjournment** – The next regular Board meeting of the Commission would be held Tuesday, June 14, 2011 at 2:00 p.m. in the John Searing Auditorium. The meeting was adjourned at 4:05 p.m.

  
Secretary

Attest:

  
President

  
Vice President

Prepared by   
Sandra Willman, Clerk of the Board