

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of February 9, 2010

PUD Auditorium

Present:

Commissioners:

Edward "Ned" Piper, President
Mark McCrady, Vice President

Merritt "Buz" Ketcham, Secretary

Staff:

Don McMaster, Chief Operating Officer
Paul Brachvogel, General Counsel
Royce Hagelstein, Director of Acctg. & Finance
Sandy Willman, Executive Assistant
Heather Allen, Risk Manager
Tom Loback, Director of Customer Services
Tim Fromm, Superintendent
Cheryl Krueger, Controller
Chris Marlow, Superintendent

Pat Lloyd, Auditor
Dave Andrew, Mgr. Comm. & Govt. Affairs
Rick Syring, Director of Engineering
Doug Wood, Director of IS
Gary Huhta, Director of Power Management
Tim Johnston, Mgr. Substation Engineering
Diana MacDonald, Mgr. Environmental & Regulatory Services

Media:

Betty Wilson, KLTV

Guest:

Christine Reynolds of Orrick

Public:

John Searing
Grant Sawyer

Norman Yonemura

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 January 26, 2010 were approved as published.

Approval of Vouchers of \$9,580,386.32 – 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 February 9, 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	15004 – 15266*	\$8,832,779.95
Swift Revenue	02368 – 02373	239,968.38
Payroll	1783	507,637.99

*Voucher No. 15160 was voided.

Introduction of New Employee – Superintendent Tim Fromm introduced the District's new employee Brian Foytack. He began his employment on February 1 as substation wiremen.

Agenda Action Items

Resolution No. 2629: (Tab 3, Board packet)

A Resolution of Public Utility District No. 1 of Cowlitz County, Washington, Authorizing the Issuance of Electric Distribution System Revenue Bonds in One or More Series in an Aggregate Principal Amount not to Exceed \$80,000,000 to Finance or Refinance Improvements to the District's Electric Distribution System; Approving the Sale of the Bonds; Designating Authorized Representatives and Delegating Authority; and Related Matters.

Royce Hagelstein, Director of Accounting and Finance, reported the purpose of the bonds is to finance capital improvements of the distribution system and fund reserve account and capitalize interest. Bond Counsel Christine Reynolds of Orrick, Herrington & Sutcliffe along with Finance Consultant Alan Dashen were available for questions. Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady approving the resolution. Motion carried.

Staff Recommendations:

No. 8/2/09 – Acceptance of Work for Construction of Beaver Bay Substation (Tab 4, Board packet)

Manager of Substation Engineering Tim Johnston reported J.H. Kelly had completed the construction of the substation and found all of their work was done satisfactory to the District's requirements and contractual obligations. Commissioner Ketcham moved to approve staff recommendation and seconded by Commissioner McCrady. Motion carried.

No. 9/2/09 – Acceptance of Work for Construction of Washington Way Substation (Tab 5, Board packet)

Manager of Substation Engineering Tim Johnston reported J.H. Kelly had substantially completed the construction of the substation on January 15, 2010. Due to weather, the concrete wall will not be painted until sometime in the spring. J.H. Kelly and the District have mutually agreed that portion of the contract will not be paid until the painting has been completed. The remaining work was done satisfactory to the District's requirements and the contractual obligations were met. Commissioner Ketcham moved to approve staff's recommendation and seconded by Commissioner McCrady. Motion carried.

Travel Authorization No. T-246: (Tab 6, Board packet)

Commissioner McCrady moved and seconded by Commissioner Ketcham authorizing Commissioners Piper and Ketcham to attend the 2010 APPA Legislative Rally scheduled for February 22 – 25, 2010 in Washington D.C. Motion carried.

Motion:

Commissioner McCrady moved and seconded by Commissioner Ketcham that the Regular Commission meeting of February 23, 2010 be cancelled in order for Commissioners Piper and Ketcham may attend the APPA 2010 Legislative Rally scheduled for February 22 – 25, 2010 in Washington, D.C. Motion carried.

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

Don McMaster, Chief Operating Officer – Provided the following updates: The Warm Neighbor 2010 fund officially started on February 1; Customer Service has begun accepting tax return payment cards and gift cards for payment on accounts; Engineers Tim Johnston and Mike Larsen have been working on the new SCADA system, which is 90% completed; and the 60 Lewis River customers that have been served from Clark Public Utilities will be transferred February 17 to Cowlitz PUD facilities.

Doug Wood, Director of IS – Presented the monthly status report of Project FOCUS. The Project is on schedule.

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

Tim Fromm, Superintendent, and Rick Syring, Director of Engineering – Presented their January Board reports. Rick reported the installation of AMI meters is 70% completed.

Dave Andrew, Manager Communications & Govt. Affairs – Provided the legislative update.

Board Reports and Discussion: None

Other Business: None

Comments:

From the Chief Operating Officer: Requested Executive Session for the purpose of reviewing the performance of an employee.

From the Commissioners: None

Motion:

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady that the meeting be recessed to Executive Session of the Board for the purpose of reviewing the performance of an employee pursuant to RCW 42.30.110 (1)(g) for a period not to exceed approximately 15 minutes duration. The Motion carried and the meeting was recessed to Executive Session at 4:00 p.m. In attendance of the Executive Session were the Board of Commissioners, Don McMaster, Rick Syring, Dave Andrew and Paul Brachvogel.

Following Executive Session, the regular meeting of the Commission was reconvened at approximately 4:15 p.m. No action was required following the Executive Session.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, March 9, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:15 p.m.

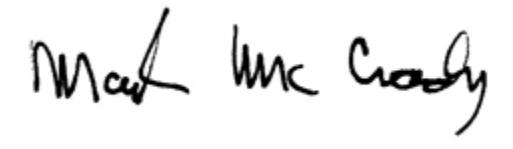


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board