

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of March 9, 2010

PUD Auditorium

Present:

Commissioners:

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

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager
Pat Lloyd, Auditor
Ray Johnson, Operations Superintendent
Royce Hagelstein, Director of Acctg. & Finance
Sandy Willman, Executive Assistant
Heather Allen, Risk Manager
Jeff Moses, Purchasing Manager
Jeff Sorensen, Operations Superintendent
Steve Lafady, HR Manager
Doug Burkhart with AAC

Don McMaster, Chief Operating Officer
Paul Brachvogel, General Counsel
Gary Huhta, Director of Power Management
Rick Syring, Director of Engineering
Doug Wood, Director of IS
Tom Loback, Director of Customer Services
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Media:

Betty Wilson, KLTV

Public:

Mike Kayser

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 February 9, 2010 and the Special meeting of February 10, 2010 were approved as published.

Approval of Vouchers of \$23,758,773.40 – 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 March 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	15267 – 15716*	\$20,937,162.68
Swift Revenue	02374 – 02386	1,828,597.93
Payroll	1784 – 1785	992,549.79
Water	06544 – 06544	463.00

*Voucher Nos. 15353 and 15356 were voided.

Comments from the General Public – Customer Mike Kayser thanked the Commissioners and staff for the continued good service of keeping the lights on and outages to a minimum.

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

Brian Skeahan, General Manager – Provided updates on the District's membership with The Energy Authority, the residential exchange issue and the District's recent bond sale.

Doug Wood, Director of IS – Presented the Monthly status report of Project FOCUS. The project continues to be on schedule.

Doug Burkhardt of AAC – Provided a presentation on Project FOCUS "Organizational Readiness" approach that will prepare employees for the transition from the District's current processes to the future Project FOCUS processes and technology.

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

Monte Roden and Rick Syring – Presented their February Board Reports. Rick also reported the new SCADA system is on-line with a back-up system at the Dispatch center.

Agenda Action Items

Staff Recommendations:

No. 10/3/09 – 2010 Transmission & Distribution Projects Bid Award

Operations Superintendent Jeff Sorensen reported the District advertised for bids for a contract line crew for the sole purpose in the event the work load increases of the remaining of the year. Eleven bids were received. Based on their status and their ability to provide for the District's needs, Jeff recommended the bid be awarded to the lowest bidder Potelco, Inc. Commissioner Ketcham moved to approve staff's recommendation and seconded by Commissioner McCrady. Motion carried.

No. 11/3//09 – Acceptance of Work for 2009 Underground Plow Contract

Operations Superintendent Ray Johnson reported the contract with Potelco, Inc. to replace 20 miles of underground cable and other pertinent facilities (by plow trench and/or bore) was completed December 18, 2009. Potelco, Inc. provided a good final product and it was recommended to accept this contract as complete. Commissioner Ketcham moved to approve staff's recommendation and seconded by Commissioner McCrady. Motion carried.

No. 12/3/09 – Swift No. 2 Wasteway Concrete Repair Acceptance of Work

Director of Power Management Gary Huhta reported the District advertised for bids in June 2009 for repairing the concrete at the Swift No. 2 Hydroelectric Project Wasteway. The District received three bids. JH Kelly, LLC was awarded that contract. JH Kelly, LLC has completed all the necessary work satisfactorily and it was recommended to accept this contract as complete. Commissioner Ketcham moved to approve staff's recommendation and seconded by Commissioner McCrady. Motion carried.

Travel Authorization No. T-247: (Tab 6, Board packet)

Travel Authorization for Commissioner Ketcham to attend The Energy Authority Board Meeting scheduled for March 29 - 31, 2010 in Jacksonville, Florida. Commissioner McCrady moved to approve the travel authorization and seconded by Commissioner Ketcham. Motion carried.

Board Reports – Commissioner Piper thanked staff for the opportunity to deliver the donations received from PUD employees of the recent fund raiser. The District was required to plant 300 Douglas fir trees as part of the permitting process to remove the Dry Creek culvert near Swift No. 2. It was more cost effective to purchase 1,000 seedlings vs. 300. The remaining seedlings were offered to PUD employees for purchase as a fund raiser by offering a donation amount of their choice to a charity of their choice. All seedlings were sold raising a total of \$615. The charities of choice were Hospice, Humane Society, Emergency Support Shelter, American Cancer Society Relay for Life, Warm Neighbor and the Lance Armstrong Foundation.

Motion:

Motion was made by Commissioner Piper and seconded by Commissioner Ketcham that the meeting be recessed to Executive Session for the purpose of discussing the annual performance evaluation of the General Manager for a period not to exceed approximately 30 minutes duration. The Motion carried and the meeting was recessed to Executive Session at 4:00 p.m. In attendance were Commissioners Piper, Ketcham, McCrady and General Manager Brian Skeahan.

Following Executive Session the regular meeting was reconvened at approximately 4:30 p.m. The Commission made a Motion that pursuant to: (1) The District Salary Compensation Policy HR-3, duly adopted on December 13, 2005 and last duly revised on March 28, 2006; (2) The Board's approval of the staff recommendations made by the Salary Review Committee for the years 2010 and 2011 (for non-union employees) at a regular meeting of the Board on November 24, 2009; and, (3) The Commissioners' authority set forth in RCW 54.16 et.seq., hereby authorize a salary increase of 6.6% for the General Manager in accordance with a comprehensive performance evaluation conducted February 10, 2010 of the General Manager's 2009 performance. This increase in salary shall be immediately effective as of the retroactive date of February 15, 2010. Commissioner Ketcham moved to approve this Motion authorizing a salary increase for the General Manager and seconded by Commissioner McCrady. Motion carried.

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: Reported that the construction of the new server room should be completed in about eight weeks. Communication equipment for AMI is being installed in the substations with approximately 13 substations remaining.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, March 23, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 5:03 p.m.

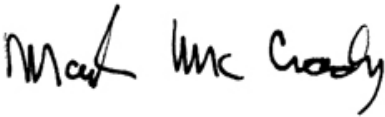
Excused by Motion

Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board