

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of June 8, 2010

PUD Auditorium

Present:

Commissioners:

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

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager
Don McMaster, Chief Operating Officer
Rick Syring, Director of Engineering
Dave Andrew, Mgr. Comm. & Govt. Affairs
Royce Hagelstein, Director of Acctg. & Finance
Sandy Willman, Executive Assistant
Heather Allen, Risk Manager
Steve Lafady, HR Manager
Tom Loback, Director of Customer Services
Jeff Sorensen, Operations Superintendent
Wayne Amondson, Mgr. Trans. & Dist. Engineering

Paul Brachvogel, General Counsel
Pat Lloyd, Auditor
Doug Wood, Director of IS
Monte Roden, Director of Operations
Gary Huhta, Director of Power Management
Jeff Moses, Purchasing Manager
Diana MacDonald, Mgr. Environmental &
Regulatory Services
Steve Brock, Operations Superintendent
Gary Seroshek, Mainframe Manager

Guests:

Paul Youmans of Pathway 2020
Michele Black, Erna Sarasohn, Richard Van Dijk of Citizens Against the Towers

Media:

Betty Wilson, KLTV

Public:

John Searing

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 May 11, 2010 were approved as published.

Approval of Vouchers of \$19,112,485.50 – 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 June 8, 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	16701 – 17111*	\$17,860,735.28
Swift Revenue	02405 – 02412	222,150.13
Payroll	1790 – 1791	1,029,441.09
Water	06545 – 06545	159.00

*Vouchers Nos. 16750, 16751, 16753, 16935 were voided.

Comments from the General Public – None

Paul Youmans of Pathways 2020 – Cowlitz PUD was selected for the recipient of the Healthy Lifestyles Champion award. The award is in recognition of the employees' hard work in collecting more than four tons of food for the Help Warehouse and for their involvement in the community.

Citizens Against the Towers – Michele Black, Erna Sarasohn and Richard Van Dijk of Citizens Against the Towers expressed to the Commissioners their concerns about BPA's I-5 Corridor Reinforcement Project. This group is not opposed to the I-5 corridor upgrade, only the location. They would prefer the project be farther away from populated areas.

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

Brian Skeahan, General Manager – Provided an update on BPA's Integrated Program Review and BPA's Summary of FY 2012-13 Expense Changes.

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

Doug Wood, Director of IS and Gary Seroshek, Mainframe Manager – Presented the monthly status report of Project FOCUS. The Project is progressing on schedule.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – Presented their May Board reports. Monte also reported that Operations personnel recently participated in a Trade Fair hosted by Kelso High School. The high school students had an opportunity to participate hands-on in various trades with local employers and labor representatives. Approximately 1,300 students attended.

Steve Brock, Operations Superintendent – Provided an update on the construction of the new Technical Services Building at Operations. He also gave a report on the electric Prius plug-in conversion.

Don McMaster, Chief Operating Officer – Provided progress reports on the new server room and Project FOCUS.

Gary Huhta, Director of Power Management – Presented the April Board report.

Royce Hagelstein, Director of Accounting & Finance – Presented the April Board report.

Agenda Action Items

Staff Recommendations:

No. 20/6/08 – Procurement & Purchasing Policy No. OP-1 Revisions

Purchasing Manager Jeff Moses reported staff, contract specialist, auditor and the purchasing department had reviewed the policy and procedures. Several changes had occurred in the Revised Code of Washington (RCW), which were the basis for the revisions. In addition, a number of internal changes were implemented to provide additional spending authorization oversight and improve departmental budget controls. Commissioner Ketcham moved to approve the policy revisions and seconded by Commissioner McCrady. Motion carried.

No. 21/6/08 – Customer Services & Credit / Collections Policy No. CS-1 Revisions

Director of Customer Services Tom Loback reported the policy was reviewed by staff and revised to continue to reduce the District's write-offs and to ensure that all customers receive consistent and equitable consideration. Commissioner Ketcham moved to approve the policy revisions and seconded by Commissioner McCrady. Motion carried.

No. 22/6/08 – Electric Service Conditions Policy No. CS-2 Revisions

Director of Customer Services Tom Loback reported the policy was revised to further detail the responsibilities of the District and its customers regarding the safe and lawful use of electric service. Commissioner Ketcham moved to approve the policy revisions and seconded by Commissioner McCrady. Motion carried.

No. 23/6/08 – Fee Schedules Policy No. CS-1 & 2 A

Director of Customer Services Tom Loback reported this policy is applicable to Policies Nos. CS-1 and CS-2. The recommended changes clarify terminology and the additions in fees more appropriately charge the cost of the service to the user rather than spreading it in the rate base of all District customers. Commissioner Ketcham moved to approve the policy and seconded by Commissioner McCrady. Motion carried.

No. 24/6/08 – Employee Mobile Phone Stipend Policy No. AD-1 Revisions

Auditor Pat Lloyd reported the revised policy primarily adds a provision for the business use of Personal Digital Assistants (PDA). Reimbursable employee expense stipends will be paid to designated employees in exchange for the employee providing and carrying a mobile phone or PDA for normal business activities. The appropriate stipends will be reviewed at the minimum annually at the Director's level. Commissioner Ketcham moved to approve the policy revisions and seconded by Commissioner McCrady. Motion carried.

No. 25/6/08 – Acceptance of Work, Rebuild Overhead Facilities from Washington Way Substation to Mt. Solo Substation, Contract No. UC1483 with DJ's Electrical, Inc.

Senior Engineer Doug Thomas and Operations Superintendent Jeff Sorensen reported DJ's Electrical has completed the upgrade of the District's 69,000-volt overhead transmission line to 115,000-volt from Washington Way Substation to Mt. Solo Substation. All conditions of the contract had been met. The project was completed under budget. Commissioner McCrady moved to accept the contract as complete and seconded by Commissioner Ketcham. Motion carried.

No. 26/6/08 – Acceptance of Work, 2009 SCADA Project, Contract No. OS270 with Open Systems International

Mike Larsen, Substation Engineer, reported the contract with Open Systems International to provide a Supervisory Control and Data Acquisition system (SCADA) had been completed. Commissioner Ketcham moved to accept the contract as complete and seconded by Commissioner McCrady. Motion carried.

No. 27/6/08 – Capital Improvement Plan Revisions

Rick Syring, Director of Engineering and Wayne Amondson, Manager of Transmission & Distribution, reported the Engineering Department reviewed the 2010 – 2012 three-year plan to re-prioritize projects and reduce expenditures. The planned projects are the same, only extended from seven years to ten years. Commissioner Ketcham moved to approve the revised plan and seconded by Commissioner McCrady. Motion carried.

Resolution No. 2630:

A Resolution of Public Utility District No. 1 of Cowlitz County, Washington Adopting Tax-Exempt Bond and Build America Bond Post Issuance Compliance Guidelines and Policies to Preserve the Exclusion of Interest on Tax-Exempt Bonds from Gross Income for Federal Income Tax Purposes and to Preserve Entitlement to Receive Payments from the United States Department of Treasury with Respect to Interest on Bonds Issued as Build America Bonds; and Related Matters.

Royce Hagelstein, Director of Accounting and Finance, reported the resolution is required for the Build America Bonds. The Post-Issuance Compliance Guidelines are to establish policies and procedures in connection with tax-exempt notes, bonds and other obligations. Commissioner Ketcham moved to approve the resolution and seconded by Commissioner McCrady. Motion carried.

Resolution No. 2631:

A Resolution of the Board of Commissioners for the Public Utility District No. 1 of Cowlitz County, Washington adopting the Employee Handbook for Public Utility District No. 1 of Cowlitz County.

Steve Lafady, Human Resources Manager, reported the updated handbook will better inform employees on a broad spectrum of employment issues such as the history of the District, nature of employment, protections under federal and state law, duties as an employee, workplace behavior, discipline relating to on and off duty conduct and separation of employment. The handbook will be available on line to District employees. Commissioner McCrady moved to approve the resolution and seconded by Commissioner Ketcham. Motion carried.

Travel Authorization No. T-249

Commissioner McCrady moved to approve the Travel Authorization for Commissioners Piper and Ketcham to attend the APPA National Conference being held June 19 – 23, 2010 in Orlando, Florida. It was seconded by Commissioner Ketcham. Motion carried.

Motion:

Commissioner McCrady moved and seconded by Commissioner Ketcham that the Regular Commission meeting of June 22, 2010 be cancelled in order for Commissioners Piper and Ketcham may attend the APPA National Conference scheduled for June 19 – 23, 2010 in Orlando, Florida. Motion carried.

Board Discussion – The Commissioners completed an exercise worksheet needed for the WPUA reform meeting. Commissioner Ketcham will be attending the meeting next week.

Board Reports – Commissioner McCrady asked that the policy previously adopted that established apprenticeship training requirements for electric system construction is resurrected. The policy was implemented as a pilot program from August 8, 2006 to August 8, 2008. This will be discussed at the next staff meeting.

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 McCrady and seconded by Commissioner Ketcham that the meeting be recessed to Executive Session for the purpose of discussing the District’s pending litigation matter for a period not to exceed approximately 20 minutes duration. No action will be taken as a result of the Executive Session. The Motion carried and the meeting was recessed to Executive Session at 4:50 p.m. In attendance were Commissioners Piper, Ketcham, McCrady, Brian Skeahan, Paul Brachvogel, Royce Hagelstein and Dave Andrew.


Following Executive Session, the regular meeting of the Commission was reconvened at approximately 5:25 p.m. No action was required following the Executive Session.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, July 13, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 5:30 p.m.


Secretary

Attest:


President


Vice President

Prepared by _____
Sandra Willman, Clerk of the Board