

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of July 13, 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
Sharyl Whitmire, Credit Services Manager
Tom Loback, Director of Customer Services

Paul Brachvogel, General Counsel
Pat Lloyd, Auditor
Doug Wood, Director of IS
Monte Roden, Director of Operations
Gary Huhta, Director of Power Management
Lance Larwick, Substation Engineer
Diana MacDonald, Mgr. Environmental & Regulatory Services

Public:

George Richie
Jared Ross
Mike Bridges
Rob Harris
Jeff Washburn
Dan Myers
Ron Worthington
Don Curtis

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 Piper.

Approval of the Minutes – The minutes of the regular Board meeting of June 8, 2010 were approved as published.

Approval of Vouchers of \$21,141,200.64 – 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 July 13, 2010, under provisions of Resolution No. 1421. Motion was made by Commissioner McCrady to approve the vouchers and seconded by Commissioner Ketcham. Motion carried. Warrants drawn to cover said vouchers are as follows:

<u>Fund</u>	<u>Voucher Nos.</u>	<u>Amount</u>
Electric Revenue	17112 – 17644	\$15,022,753.15
Swift Revenue	02405 – 02412	3,966,268.04
Payroll	1792 – 1794	1,509,579.45
Water	06546 – 06546	642,600.00

Comments from the General Public – Customer Ron Worthington asked the Commissioners if what he read was true that BPA will have an increase this October and if the District had conducted an analysis on a rate increase. It was explained our current contract with BPA ends in October 2011. No analysis had been conducted.

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

Brian Skeahan, General Manager – Reported that on July 2 Fitch Ratings of New York had announced that the District's credit rating had been upgraded from an A- to an A rating. The upgrade reflected the District's very competitive electric rates, relatively low debt burden and sound financial performance, illustrating solid management of a diverse, unique power resource mix and strategy.

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

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

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

Doug Wood, Director of IS – 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 June Board reports. Rick reported the Mint Farm substation has been energized.

Don McMaster, Chief Operating Officer – Provided updates on Project FOCUS, new server room, transitional work roles and responsibilities due to retirements and information on metering tampering for 2010.

Agenda Action Items

Staff Recommendations:

No. 28/7/13 – 2010 Low-Income Discount Programs with CAP

Dave Andrew reported that the Federal government has not adjusted the HHS Poverty Guidelines for 2010, thus there will be no changes for the coming year to the senior discount rate and disabled discount rate programs. PUD Staff will again work with CAP and other agencies to inform customers of the availability of the programs. Any current SDR or DDR customers must re-qualify for the rate discount or they will be automatically dropped from the program on December 31, 2010. Commissioner Ketcham moved to approve the 2010 programs and seconded by Commissioner McCrady. Motion carried.

No. 29/7/13 – Policy No. OP-3 Establishment of Apprentice Training Requirements

Brian Skeahan reported that at the request of the building trades union the policy was adopted in 2006 to provide encouragement for the District to utilize contractors that meet certain levels of apprenticeship workers on projects. It was driven primarily by concerns regarding the lack of skilled, trained workers as we move into the baby boom retirements. The policy was adopted on a pilot basis and had expired in 2008. At Commissioner McCrady's request the policy was

reviewed by staff and has been unchanged except it would be made permanent. Several labor representatives attended the meeting in support of the policy and thanked the District and the Commissioners for their consideration. Commissioner Ketcham moved to adopt the policy and seconded by Commissioner McCrady. Motion carried.

No. 30/7/13 – Transfer of Accounts to Reserve for Bad Debts, 2nd Quarter 2010

Auditor Pat Lloyd requested authorization to transfer 302 accounts to Reserve for Bad Debts. These accounts are terminated services during the first quarter of 2009. Commissioner Ketcham moved to authorize the transfer and seconded by Commissioner McCrady. Motion carried.

No. 31/7/13 – Bid Award – 121 kV Substation Circuit Breakers

Substation Engineer Lance Larwick reported the bid will supply the District with four 121 kV substation breakers to replace the 49-year old 69 kV breaker at 7th Avenue Substation. The existing breaker is beyond its useful life. Bids were received from five manufacturers. Based on the most responsive, responsible and lowest evaluated price it was recommended to purchase the breakers from Carlson Sales. Commissioner McCrady moved to award the bid to Carlson Sales and seconded by Commissioner Ketcham. Motion carried.

No. 32/7/13 – Policy No. AD-2 Travel & Travel Reimbursement Revisions

Risk Manager Heather Allen reported the revisions to the travel policy will bring it consistent with the District's insurance coverage and Washington State laws. Commissioner Ketcham moved to approve the revisions and seconded by Commissioner McCrady. Motion carried.

Board Reports and Discussions

Board Report – Commissioner McCrady complimented Royce Hagelstein and the accounting department for the 14th year of being in compliance with state laws and regulations and with the District's policies and procedures.

Commissioner Ketcham gave an update on Energy Northwest.

Board Discussion – The Washington PUD Association and the District's continued membership was discussed.

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 a 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 5:00 p.m. In attendance were Commissioners Piper, Ketcham, McCrady, Brian Skeahan and Paul Brachvogel.

Following Executive Session, the regular meeting of the Commission was reconvened at approximately 5:20 p.m. No action was required following the Executive Session.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, July 27, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 5:25 p.m.

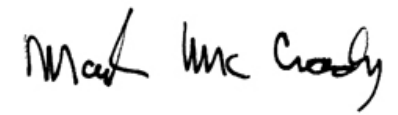


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board