

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of July 27, 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
Royce Hagelstein, Director of Acctg. & Finance
Dave Andrew, Mgr. Comm. & Govt. Affairs
Ray Johnson, Superintendent
Jeff Moses, Purchasing Manager

Rick Syring, Director of Engineering
Pat Lloyd, Auditor
Gary Huhta, Director of Power Management
Sandy Willman, Executive Assistant
Steve Brock, Superintendent
Steve Lafady, Human Resources Mgr.

Public:

Ron Worthington
Mike Getman
John Searing
Kim Adamson, BHSD General Manager

Media:

Betty Wilson, KLTV

Guest:

Joey Yake, Branch Mgr. of US Bank

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 July 13, 2010 were approved as published.

Approval of Vouchers of 10,810,209.60 – 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 27, 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	17645 – 17822*	\$10,020,649.87
Swift Revenue	02426 – 02430	273,056.65
Payroll	1795	516,503.08

*Voucher No. 17747 was voided.

Comments from the General Public – None

Guest – Auditor Pat Lloyd introduced Joey Yake, new Branch Manager of Longview US Bank. The District is a customer of the bank and their new manager wanted to be acquainted with his customers.

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

Brian Skeahan, General Manager – Briefed the Commissioners on BPA's rate case schedule proposals for 2010 – 2011. The Federal Register notice will be published November 4, 2010. The Draft Record of Decision (ROD) has been scheduled for May 31, 2011 and the Final Record of Decision and Final Studies have been scheduled for July 18, 2011. The District will not know what BPA's increase will be until after the Final ROD.

BPA will be issuing an update the first week of August on the proposed routes for the I-5 Corridor Project. The update of the routes was considered based on public input and further technical studies performed by BPA.

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

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

Agenda Action Items

Staff Recommendations:

No. 33/7/27 – Bid Award – Repaving Project at Operations Center

Superintendent Steve Brock reported seven contractors attended the mandatory pre-bid walk through on June 28. At the bid opening of July 8 the District received three bids. After evaluating the bids, the District and DSP Architecture concluded that JH Kelly LLC submitted the lowest responsive bid. The Commissioners recognized after 33 years the repaving project was needed. Commissioner Ketcham moved to award the bid to JH Kelly LLC and seconded by Commissioner McCrady. Motion carried.

No. 34/7/27 – Williams Finney Pump Station Loan Agreement

Kim Adamson, General Manager of Beacon Hill Sewer District, reported the pump station is 54 years old, has been experiencing regular failures and needed to be replaced. This project was identified as part of the 2006 Water System Plan approved by the Department of Health. There are three different potential funding sources for this project. A State and Tribal Assistant Grant (STAG) that was previously approved should be available later this year. BHSD has also applied for a regular Public Works Trust Fund (PWTF) construction loan. Due to the deteriorated state of the pump station, BHSD applied for an emergency loan. If the emergency loan is granted, construction will immediately begin. If the standard construction loan is received the award will be reduced by the amount of the emergency loan. In the meantime, the construction needs to move forward, therefore the Interfund Reserve Fund Loan Agreement was proposed to allow BHSD to loan funds from sewer reserves to the water utility. The agreement was written for the debt to be transferred to BHSD if/when the water utility ownership is transferred. Commissioner Ketcham moved to approve the agreement and seconded by Commissioner McCrady. Motion carried.

Resolution No. 2632:

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington, Declaring an Emergency Situation with Regard to a Pump Station and Hydropneumatic Tank Failure at Williams Finney Pump Station.

Kim Adamson reported due to the accelerated condition of the pump station she had submitted an additional application to the Public Works Board for an emergency loan. A Declaration of Emergency was necessary for qualification of the loan. Commissioner Ketcham moved to approve the resolution and seconded by Commissioner McCrady. Motion carried.

Board Reports and Discussion

Board Reports – Commissioner Ketcham gave an update on Energy Northwest.

Board Discussion – Commissioner Ketcham mentioned due to current global events he believes conducting an outside audit of our safe work practices, as compared to the industry standards, would be beneficial. Commissioners McCrady and Piper agreed. The Commissioners requested an expenditure line of \$50,000 to fund such an audit be placed in the 2011 Budget.

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: Reported the 2011 Budget submittals have begun and bid documents have been received for the rebuild of Seventh Avenue Substation.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, August 10, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 3:30 p.m.

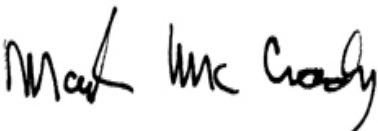


Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board