

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of August 10, 2010
PUD Auditorium**

Present:**Commissioners:**

Edward "Ned" Piper, President

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager

Rick Syring, Director of Engineering

Pat Lloyd, Auditor

Sandy Willman, Executive Assistant

Royce Hagelstein, Director of Acctg. & Finance

Gary Huhta, Director of Power Management

Dave Andrew, Mgr. Comm. & Govt. Affairs

Russ Noble, WECC Compliance Engineer

Ray Johnson, Superintendent

Diana MacDonald, Mgr. Environmental &

Doug Wood, Director of IS Department

Regulatory Services

Tom Loback, Director of Custr. Services

Public:

John Searing

Media:

Betty Wilson, KLTV

Mike Getman

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.

Motion for Excused Absence – Motion was made by Commissioner Ketcham and seconded by Commissioner Piper that Commissioner McCrady be granted an excused absence from the day's proceedings. Motion carried.

Approval of the Minutes – The minutes of the regular Board meeting of July 27, 2010 were approved as published.

Approval of Vouchers of \$2,457,375.78 – 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 August 10, 2010, under provisions of Resolution No. 1421. Motion was made by Commissioner Ketcham to approve the vouchers and seconded by Commissioner Piper. Motion carried. Warrants drawn to cover said vouchers are as follows:

<u>Fund</u>	<u>Voucher Nos.</u>	<u>Amount</u>
Electric Revenue	17823 – 17822	\$1,942,867.67
Swift Revenue	02431 – 02435	5,877.54
Payroll	1796	508,630.57

Comments from the General Public – None

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

Brian Skeahan, General Manager – Reported BPA this week released alternative routes for the I-5 Corridor Reinforcement Project and identified alternative substation locations in the Castle Rock area. They will be mailing approximately 200 additional property owner notification letters, mostly in Cowlitz County, who would be impacted by these new alternatives. BPA will be hosting a public meeting on August 30th from 4:00 p.m. to 7:00 p.m. at the Castle Rock Elementary school. Dave Andrew added that Cowlitz County has been working with BPA and a workshop is scheduled for September 10th from 10:00 a.m. to 12:00 p.m. at the County's Administration office. The Commissioners agreed no additional workshop would be necessary.

Doug Wood, Director of Information Services – Presented the monthly status report of Project FOCUS. The Project continues to be on schedule.

Tom Loback, Director of Customer Services – Presented the July Board report including a cost comparison report of credit card payments vs. manual.

Rick Syring, Director of Engineering and Ray Johnson, Operations Superintendent – Presented their July Board reports including an update on the 2010 plow projects.

Russ Noble, WECC Compliance Engineer – Presented the quarterly Western Electricity Coordinating Council (WECC) Board report. Russ stated the North American Electric Reliability Corporation (NERC) has been working with him more directly and he has been participating to help influence the Critical Infrastructure Protection (CIP) Standards.

Break: 3:45 p.m.

Reconvened: 3:50 p.m.

Agenda Action Items

Motion:

That the Board of Commissioners generally supports / opposes / abstains from the value proposition contained in mediators proposed settlement of the Residential Exchange litigation and believes it forms the basis to attempt to achieve a comprehensive settlement of said litigation.

Brian Skeahan provided Weyerhaeuser and Longview Fibre an opportunity to comment on the proposed settlement. Weyerhaeuser reported they will not take a position and Longview Fibre was not supportive. Commissioner Ketcham moved and seconded by Commissioner Piper that they are in support of the proposed settlement of the Residential Exchange litigation. Motion carried.

Staff Recommendations:

No. 35/8/10 – Revised Critical Infrastructure Protection Policy No. OP-5 (Tab 5, Board packet)

WECC Compliance Engineer Russ Noble reported the revisions to the policy were required to remove descriptive procedural details that should be contained in a District procedure document and to better parallel with NERC Reliability Standard CIP-001-1, Sabotage Reporting. Commissioner Ketcham moved to approve the revisions and seconded by Commissioner Piper. Motion carried.

No. 36/8/10 – Amendment to Interlocal Agreement No. WS323 with Beacon Hill Sewer District (BHSD), (Tab 6, Board packet)

Paul Brachvogel reported the current Interlocal Agreement with BHSD required the District to maintain property insurance on all Water System assets, and liability insurance for the District's sole negligence with regard to the District's ownership of the Water System. The agreement also required BHSD to insure its vehicles and equipment with physical damage and liability coverage, naming the District as a primary and non-contributing additional insured. The District invoices BHSD for the portion of property and liability insurance premium that applies to the Water System. BHSD also maintains property and liability coverage through the Public Entity Property Insurance Program and the Water and Sewer Risk Management Pool, resulting in duplication of coverage. BHSD had requested the District cancel its existing property and liability insurance, which would provide BHSD an annual cost of savings of \$37,655.66. Commissioner Ketcham moved to approve the revisions to the Interlocal Agreement and seconded by Commissioner Piper. Motion carried.

Board Reports and Discussion

Board Reports:

Commissioner Piper – Thanked everyone for their participation and hard work at the District's BINGO fund raiser for the Warm Neighbor program and American Cancer Society Relay for Life held at the Cowlitz County Fair last week.

Commissioner Ketcham – Reported Energy Northwest announced today that Mark Reddemann, interim Chief Executive Officer, was chosen to lead the agency.

Other Business – None

Comments:

From the General Manager – Announced anticipation of two water workshops for public communication regarding the transfer of the Water System to BHSD.


From the Commissioners – None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, August 24, 2010 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:36 p.m.

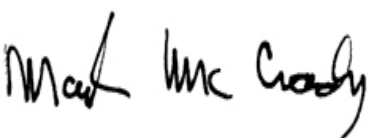


 Secretary

Attest:



 President



 Vice President

Prepared by _____
 Sandra Willman, Clerk of the Board