

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of January 22, 2008
PUD Auditorium**

Present:

Commissioners:

Merritt "Buz" Ketcham, President
Edward M. "Ned" Piper, Vice President

Mark McCrady, Secretary

Staff:

Brian Skeahan, General Manager
Don McMaster, Chief Operating Officer
Royce Hagelstein, Dir. of Acctg. & Finance
Rick Syring, Director of Engineering
Dave Andrew, Mgr. Comm. & Govt. Affairs
Sandy Willman, Admin. Asst. to the General Mgr.
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Gerry Miller, General Counsel
Pat Lloyd, Auditor
Gary Huhta, Director of Power Management
Monte Roden, Director of Operations
Steve Lafady, Human Resources Manager
Sherry Crayne, Dir. of Customer Services
Russ Noble, WECC Compliance Engineer

Guest:

Kim Adamson, General Manager of BHSD

Media:

Betty Wilson, KLTV
Erick Olson, The Daily News

Public:

John Searing
Havana Nasserghandi

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 Ketcham.

Approval of the Minutes – The minutes of the Regular Board Meeting of January 8, 2008 were approved as published.

Approval of Vouchers of \$19,884,461.61 – 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 January 22, 2008, under provisions of Resolution No. 1421. Motion was made by Commissioner Piper 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	03660 – 03836	\$17,534,830.16
Water Revenue	06502 – 06506	105,690.81
Swift Revenue	02093 – 02099	1,677,250.04
Payroll	1728 – 1727	566,690.60

Other Business:

PUD customer Havana Nasserghandi came forward to express her disagreement with the requirement that you must be a customer for the last 12 months to qualify for the PUD's low-income Disabled Discount Program. Havana has been a customer for eight months, four months short for eligibility. She added she has signed a 12-month lease on her apartment, which indicates she intends to stay for a full year. She believes the program is unfair because people who have been disabled for years but recently moved to Cowlitz County would not qualify. Dave Andrew said the residency requirement is a safeguard against false claims. He said another application period will be held September through November through CAP. Commissioner McCrady said this is a new program and we will continue to fine-tune it. The Commissioners said they will consider Havana's comments and others in mid-summer when it reviews the program.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported that BPA plans to initiate the formal rate case proceedings required to implement the Residential Exchange in late January, with the formal proposal expected in early February. Brian has had preliminary discussions with Weyerhaeuser with a clear understanding of a cooperative effort on the Residential Exchange 7(i) and that the Board's position is the execution of new contracts in 2008. Meetings with Weyerhaeuser and Fibre are scheduled.

Staff / Director's Reports

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

Gary Huhta, Director of Power Management – The December Board report was given. The White Creek Wind Project and Swift No. 2 had very high production in December.

Dave Andrew, Mgr. Comm. & Govt. Affairs – Reported the 60-day 2008 Legislative session began on January 14 and will end on March 13. Pole Attachments HB 2533 is moving forward, however TEC Chairman McCoy is open to suggestions to make the bill acceptable to all parties. Commissioner Salaries HB 2606, Open Meetings HB 2630 and Renewables Procurement HB 2639 were also discussed.

Russ Noble, WECC Compliance Engineer – Presented the quarterly report for WECC compliance.

Board Reports

Commissioner Ketcham – Commissioner Ketcham announced that an Executive Session has been scheduled for Tuesday, January 29, 2008 at 5:00 p.m. at his home in Kalama, Washington, for the purpose to conduct the annual performance evaluation of the General Manager. No action will be taken.

Commissioner Piper – Reported he and others attended WPUDA Legislative Reception last week. He also reported that Brian Skeahan and Dave Andrew gave a White Creek presentation at his Rotary Club this morning.

Commissioner McCrady – Reported on the WPUA legislative meetings he attended last week in Olympia.

Agenda Action Items

Staff Recommendations:

No. 5/1/22 – Water Use Efficiency Goals

Kim Adamson, General Manager of Beacon Hill Sewer District (BHSD), reported the Department of Health has imposed a new rule requiring water utilities to develop and adopt annual water use efficiency goals. The goals must be presented through a public hearing process. A public hearing was held at the regular meeting of BHSD Commissioners on January 9, 2008. No public was present. Based on no public input, the BHSD has asked the Cowlitz PUD Commissioners to adopt the proposed 2008 Water Use Efficiency goals. Commissioner Piper moved to approve BHSD recommendation and seconded by Commissioner McCrady. Motion carried.

Resolution No. 2599:

A RESOLUTION Amending the Public Utility District No. 1 of Cowlitz County, Washington, General Terms and Conditions Applicable to Water Service – Exhibit 2 – as Adopted by Resolution No. 2330 and Amended by Resolution No. 2577.

Kim Adamson, General Manager of Beacon Hill Sewer District (BHSD), requested a change in the method connection fees for water are calculated. Currently the fees are based on an average installation cost. BHSD is recommending a change to allow the connection fee to reflect actual time and materials for a service installation, which will closely match the current process BHSD uses for sewer. Commissioner McCrady moved to adopt the resolution and seconded by Commissioner Piper. Motion carried.

Resolution No. 2600:

A RESOLUTION Updating the Names, Titles and Terms of Office and Authorizing Signatures of Officers and Management Staff of Utility District No. 1 of Cowlitz County, Washington for The Bank of New York, the District's Registrar and Paying Agent.

Royce Hagelstein, Director of Accounting & Finance, reported this resolution is required in order to conduct business with The Bank of New York, the District's Bond Registrar and Paying Agent. Commissioner McCrady moved to approve this resolution and seconded by Commissioner Piper. Motion carried.

No. T-239 – Travel Authorization for Commissioner Piper to attend the APPA 2008 Legislative Rally held February 25 – 27, 2008 in Washington, DC:

It was moved by Commissioner McCrady to approve the travel authorization and with authorized change of protocol, seconded by Commissioner Ketcham. Motion carried.

Other Business:

None

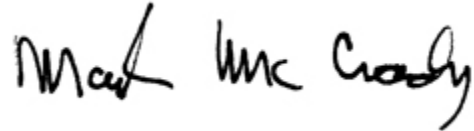
Comments:

From the General Public: None
From the General Manager: None
From the Commissioners: None

Executive Session:

Motion was made by Commissioner McCrady and seconded by Commissioner Piper that the meeting be adjourned to Executive Session for a period not to exceed 30 minutes duration. The motion was carried and the meeting adjourned to Executive Session at 5:00 p.m. No action will be taken as a result of Executive Session.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, February 12, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 5:40 p.m.



Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Administrative Assistant to
the General Manager