

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of February 12, 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.
Grant Sawyer, Senior Custr. Service Advisor
Brad Keith, Lineman
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Gerry Miller, General Counsel
Pat Lloyd, Auditor
Gary Huhta, Director of Power Management
Monte Roden, Director of Operations
Doug Wood, Director of IS
Sherry Crayne, Dir. of Customer Services
Wayne Amondson, Mgr. Trans. & Dist.
Chris Willie, Lineman
Tim Johnston, Mgr. Substation Engineering

Guest:

Craig Anneberg, Weyerhaeuser
Tim Haynes, Weyerhaeuser
Alan Meyers, Weyerhaeuser
Pat Ortiz, Longview Fibre
Roger Fisher, Longview Fibre
Randy Nebel, Longview Fibre

John Ryan, Weyerhaeuser
Jerry Bland, Weyerhaeuser
Rawley Harris, Weyerhaeuser
Frank McShane, Longview Fibre
Doug Davis, Longview Fibre

Media:

Betty Wilson, KLTV
Barry Verril, KLTV

Public:

John Searing
Carol Gorley
Janice Hillman, The Arc
Don Sims

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 22, 2008 and of the Special Board Meeting of January 29, 2008 were approved as published.

Approval of Vouchers of \$5,083,976.07 – 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 February 12, 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	03837 – 04113	\$ 3,221,351.91
Water Revenue	06507 – 06512	743,050.24
Swift Revenue	02100 – 02106	244,448.97
Payroll	1729 – 1730	875,124.95

Presentations

- General Manager Brian Skeahan introduced Representatives from Weyerhaeuser and Longview Fibre Companies. Weyerhaeuser's Vice-President of Pulp and Paper Manufacturing, Tim Haynes, reported to the Commission that Weyerhaeuser would like to partner with Cowlitz PUD on the Residential Exchange and the Ninth Circuit Court ruling issues. He reported Weyerhaeuser has four businesses on the mill site and is presently constructing a state-of-the-art sawmill. The Company has a five-million dollar impact to the county and the local community along with being Cowlitz PUD's largest customer. Therefore, they're concerned about the current draft proposal and are looking for a fair and equitable way to take care of the repayment structure. Frank McShane of Fibre stated to the Commission that they are here to participate with Weyerhaeuser and Cowlitz PUD regarding the same concerns. He said Fibre would like a collaborated process on the matter and is flexible on the repayment structure. Commissioner Ketcham said the District has 48,000 customers to take care of and we are all in this together. Brian said he has a good understanding of Weyerhaeuser's and Fibre's concerns and is very comfortable working with them.
- Senior Customer Service Advisor Grant Sawyer introduced Cowlitz PUD's first net metering customer Don Sims of Kelso. Wayne Amondson, Manager of Transmission and Distribution, gave a slide presentation of Don Sims' windmill construction process. Grant said the District will have three more net metering customers soon.

Employees Recognition and Introduction

The Commissioners presented Linemen Brad Keith and Chris Willie each with a Letter of Commendation for their selfless emergency response efforts in reacting to a vehicle accident last November that involved one of their co-workers.

Director of Operations Monte Roden introduced to the Commission the District's new Meter Tester Kevin Grabenhorst.

Other Business

Janice Hillman, Executive Director of Arc, addressed the Commission. The Arc is a voluntary organization committed to the welfare of all children and adults with mental disabilities and their families. Janice wanted to thank the Commission on behalf of her clients for approving the Low-Income Disabled Customer Rate Discount Program and that the program has been very helpful.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Briefed the Board on the WP-07 Supplemental Rate Case. The main purpose of the case is for BPA to address the U.S. Court of Appeals for the Ninth Circuit's ruling issued last year on the topics of the Residential Exchange. Brian said BPA's offer could possibly be an action item at the next Board meeting. Commissioner McCrady stated we need to get the refund back to the customers as soon as possible. Brian said based on the Board's responses, we will finalize and file our comments. Brian displayed the Blowing Bright Award he recently received while speaking at the Harvesting Clean Energy Conference in Portland, Oregon. The award honors Cowlitz PUD for its part in the White Creek Wind Project.

Staff / Director's Reports

Sherry Crayne, Director of Customer Services – Presented the January Board report.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – The January Operations and Engineering reports were given.

Dave Andrew, Mgr. Comm. & Govt. Affairs – Gave his legislative session update. He reported that SHB 2533 Pole Attachments is moving forward and is a work in progress. Commissioner Salaries HB 2606, Renewables Procurement HB 2639 and SB 6658 and Climate Change SB 6308 were also discussed. Dave and Commissioner McCrady will be attending a legislative meeting on February 14th in Olympia.

Board Reports

Commissioner Ketcham – None

Commissioner Piper – None

Commissioner McCrady – None

Agenda Action Items

Staff Recommendation:

No. 6/2/12 – Alternate Electric Service Policy EN-5

Rick Syring, Director of Engineering, reported this Policy provides a means for an electric service customer to request a second electrically independent primary voltage circuit for a second path of supply of service in the event of failure of the first circuit. Alternate service facilities include, but are not limited to, the substation and distribution line capacity reserved for the customer's exclusive use. Rick said the District is getting more and more request for alternate service. The Policy will detail recovery costs. Commissioner McCrady moved to approve the Policy and seconded by Commissioner Piper. 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 the purpose of discussing the annual performance evaluation of the General Manager and potential litigation matters. The motion was carried and the meeting adjourned to Executive Session at 4:25 p.m. At the conclusion of Executive Session the Commission will return to its formal public meeting and action will be taken.

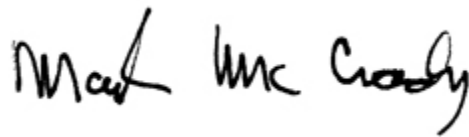
Following Executive Session, the meeting was reconvened at 5:40 p.m.

Resolution No. 2601: (Tab 4, Board Packet)

A RESOLUTION Amending Resolution No. 2548 Adopted March 14, 2006 by Adjusting the salary of the General Manager Enumerated Therein.

Commissioner Piper moved to approve Resolution No. 2601 and seconded by Commissioner McCrady that the General Manager's salary be increased by 5.5% based on his annual evaluation score performed by the Commission, and in accordance with the District's Salary Compensation Policy for all non-collective bargaining employees. Motion carried.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, February 26, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 5:46 p.m.



Secretary

Attest:



President

Excused by Motion

Vice President

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