

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of April 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
Doug Wood, Director of IS
Royce Hagelstein, Dir. of Acctg. & Finance
Monte Roden, Director of Operations
Doug Swier, Conservation Engineer
Sandy Willman, Admin. Asst. to the General Mgr.
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Pat Lloyd, Auditor
Gerry Miller, General Counsel
Steve Lafady, Human Resources Manager
Rick Syring, Director of Engineering
Dave Andrew, Mgr. Comm. & Govt. Affairs
Gary Huhta, Director of Power Management
Sherry Crayne, Dir. of Customer Services
Russ Noble, WECC Compliance Officer

Media:

Betty J. Wilson, KLTV

Public:

John Searing

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 April 8, 2008 were approved as published.

Approval of Vouchers of \$28,782,855.08 – 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 April 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	04852 – 05055*	\$28,226,175.30
Swift Revenue	02126 – 02130	59,808.63
Water Revenue	06515	59,800.00
Payroll	1735	437,071.15

*Voucher Nos. 04852 and 04863 are voided.

Introduction of New Employees

Tia Christina, Manager of Property & GIS, introduced to the Commission our new GIS Specialist, Duane Bays. Director of Customer Services Sherry Crayne introduced Ginger Lee, our new Customer Services Representative.

Director of IS Doug Wood introduced Dave VanHorn, who retired from the District in 2007 from the IS Department. Doug stated Dave has temporarily returned to work to help the District through various projects such as the BPA refund and AMI. Dave's expertise has been a key role to the success of these projects. Brian and Doug thanked Dave for giving up his retirement to help us through this critical time.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Gave an update on the Harvest Wind Project. Eugene Water and Electric Board (EWEB) voted to proceed with their involvement with the project. The participants are Cowlitz PUD, EWEB and Lakeview Light & Power. The usage permit has been submitted to Klickitat County. The turbine solicitation will begin in May and by the first Board meeting in August, the Board will be asked to make a final decision to accept the bid.

BPA continues to work on the draft contract template of the load following contract. Staff has attended a BPA workshop on that document. It appears that BPA will postpone the formal 7(i) process with the understanding that BPA and the customers are more likely to get this resolved outside of the formal process. Tiered rates methodology is the current proposal. Utility technical staff and PPC staff are going through earlier PPC position statements on this matter and comparing what seems to be on the table now with what we asked for at the beginning of the process. Brian has communicated the District's concerns and expectations to PPC. The District's consulting attorney Paul Murphy will be working on this matter.

The BPA Residential Exchange interim refund checks to our large industrial customers have all been processed. We are currently processing the billing credits to qualified customers' accounts and all should be completed within thirty days.

Staff / Director's Reports

Royce Hagelstein, Director of Accounting & Finance – Presented the March Board report. The sales from the White Creek Wind project are doing very well.

Gary Huhta, Director of Power Management – Presented the March Board report. Gary also gave an update on Swift's shear pin failure detection system, which should be installed by June.

Doug Swier, Conservation Engineer – Introduced a new incentive program that is directed to our commercial and industrial customers, which will supplement BPA's standard programs. The program will provide financial incentives, in the form of rebates, to purchase motors that meet or exceed "NEMA Premium Efficiency" standards. This program will expire September 30, 2009. In addition, it will provide an opportunity to visit our industrial customers and introduce other programs available. BPA is using this as a pilot program and depending on the results, may offer this program to the entire northwest region.

Diana MacDonald, Manager Environmental & Regulatory Services – Reported FERC will be issuing the fifty-year license for Swift No. 2 in 2008 and that FERC has granted an exemption

for our 2008 annual charges. She also reported this is our third year of a five-year agreement to stock trout in the upper Lewis River.

Russ Noble, WECC Compliance Officer – Presented his quarterly report.

Board Reports

Commissioner Ketcham – Reported the Workshop Meeting on Monday, April 21st was very productive.

Commissioner Piper – Reported this is the last Board meeting for General Counsel Gerry Miller. The Board expressed how much he has been appreciated and thanked him for his time spent with the District.

Commissioner McCrady – Reported the lunches with the employees are most rewarding.

Agenda Action Items

Staff Recommendations:

No. 15/4/22 – Policy No. AD-6, Vehicle Use Policy

Director of Engineering Rick Syring reported the purpose of this policy is to provide guidelines for the use of District and personal vehicles in the performance of District business. Commissioner McCrady moved to approve the policy and seconded by Commissioner Piper. Motion carried.

No. 16/4/22 – Travel Authorization for Commissioner Piper to attend NWPPA Annual Conference and Membership Meeting to be held May 18 – 22, 2008 in Anchorage, Alaska

Commissioner McCrady moved to authorize the travel and seconded by Commissioner Ketcham. Motion carried.

Other Business – None

Comments:

From the General Public – None

From the General Manager – Reported he has been asked and has accepted to be on the Northwest Energy Efficiency Taskforce. The Taskforce's ultimate goal is to make the region's energy efficiency efforts as productive and efficient as possible. Brian also reported he has been selected to participate in a Solar Fact Finding Mission to Germany for Utility Decision Makers in June. The Mission is being sponsored by The Solar Electric Power Association, World Futures Council and the Northwest Solar Center at Washington State University. Only twenty electric utility employees were selected to participate.

From the Commissioners: None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, May 13, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 4:25 p.m.

Maed Mac Crady

Secretary

Attest:

Merrett Kelata

President

Edward M. A.

Vice President

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