

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of August 12, 2008
PUD Auditorium**

Present:

Commissioners:

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

Mark McCrady, Secretary

Staff:

Brian Skeahan, General Manager
Pat Lloyd, Auditor
Gary Huhta, Director of Power Management
Rick Syring, Director of Engineering
Marilyn Miller, Treasurer/Risk Manager
Sandy Willman, Admin. Asst. to the General Mgr.
Russ Noble, WECC Compliance Officer
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Don McMaster, Chief Operating Officer
Doug Wood, Director of IS
Sherry Crayne, Dir. of Customer Services
Dave Andrew, Mgr. Comm. & Govt. Affairs
Royce Hagelstein, Dir. of Acctg. & Finance
Monte Roden, Director of Operations
Bob Essex, Power Resource Engineer
Treana Storie, Administrative Assistant

Media:

Betty Wilson, KLTV
The Daily News

Guest:

Rob Sirvaitis, The Energy Authority

Public:

Frank Wilson, Catlin Garage
Dave Quinn
Becky Rakoz

Janice Hillman, ARC of Cowlitz Valley
Ilona Kerby, Lower Columbia CAP
Roxanna Shelton, Lower Columbia CAP

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. The Public Hearing for the proposed Integrated Resource Plan followed.

**Public Hearing
Proposed Integrated Resource Plan**

Director of Power Management Gary Huhta introduced Rob Sirvaitis of The Energy Authority. Rob Sirvaitis has been working with numerous staff members in order to develop a long-range resource strategy for forecasting the District's future resource requirements for the period 2008 – 2027. The Integrated Resource Plan (IRP) is a detailed analysis that looks at the District's projected resources and load obligations, and attempts to identify the mix of supply-side resources and conservation that will best meet its needs. The Washington State Legislature passed in 2006 HB 1010, which requires that all utilities develop resource plans by September 1, 2008. Going forward, this plan will be updated every two years. A power point presentation was given. Comments received from staff and the general public will be incorporated in the final draft. The final Plan will then be recommended to the Board of Commissioners for adoption at the regular Board meeting of August 26.

Commissioner Ketcham asked if there were any questions or comments from the General Public. Dave Quinn stated the 2.5% annual load growth seemed high. Gary Huhta acknowledged that it appears high, however the facts were based on 2007 and a ten-year history. The County supplied their information as they see growth.

The Public Hearing concluded at 2:45 p.m.

Approval of the Minutes – The minutes of the Regular Board Meeting of July 22, 2008 were approved as published.

Approval of Vouchers of \$13,770,598.89 – 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 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	06330 – 06597	\$ 9,895,368.04
Swift Revenue	02158 – 02163	2,937,558.17
Water Revenue	06523	23,095.00
Payroll	1742 - 1743	914,577.68

Introduction of new employee – Gary Huhta introduced the District's new Assistant Power Resource Engineer Brian Booth. Brian is a recent graduate of Portland State University.

Agenda Action Items

Staff Recommendations:

No. 21/8/12 – Amendment to AAC Utility Partners Agreement

Doug Wood reported the original scope of the Agreement with AAC Utility Partners included the core functionality required for the District to replace the legacy Financial Management Information System (FMIS) and the unsupported Customer Information System (CIS). The Work Order Management (WOM) system currently used by the District is coupled with the legacy FMIS. The IS Steering Committee recommended that the scope of work include a Work Order Management system that will integrate well with the new FMIS and CIS software. Motion was made by Commissioner McCrady to approve the Amendment and seconded by Commissioner Piper. Motion carried.

No. 22/8/12 – Renewals of Senior Discount Electric Rate and Disabled Rate Programs for 2009

Dave Andrew reported the Senior Discount Rate program was approved in 2004 and a similar program for disabled customers was added in 2007. The Board had requested in 2004 that these two programs be reviewed annually and last September they asked to look at ways to broaden them. Beginning this fall staff is recommending a "sliding" income scale based on three income levels: A household of two or less, a household of three and a household of four or more. This change is expected to open the program to more customers. These guidelines are based on the 2008 HHS poverty guidelines as published in the *Federal Register*. No other changes were recommended to either program. Dave said the PUD and CAP have a great working relationship and together will work with other agencies to inform customers of the availability of the low-income rate discount programs along with local media, newsletter, website and flyers in the front office. Any current customers on either of these two programs, who do

not contact CAP or the PUD to re-qualify for the rate discount for the next 12 months, will be automatically dropped from the program on December 31, 2008. Motion was made by Commissioner Piper to approve the changes and new proposals and seconded by Commissioner McCrady. Motion carried.

Presentation of Proceeds from the charity Bingo event – Dave Andrew and Treana Storie reported PUD employees, friends and families, equaling approximately 50 people, volunteered at the four day charity Bingo event at the Cowlitz County Fair, which raised \$5,300. Commissioner Ketcham presented a check for \$2,640 to Ilona Kerby of Lower Columbia CAP, half of the proceeds from the event, with the other half donated to the American Cancer Society Relay for Life. CAP thanked the PUD employees.

Break: 3:25 p.m.

Reconvened: 3:35 p.m.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported the Harvest Wind project activities will begin to accelerate. A meeting is scheduled on August 13 with the participants to review the bid results of the wind turbine generators. He is anticipating the signing of the Joint Operating Agreement for the project as well; however that will not obligate the District to proceed with the project. That will be at a subsequent meeting for Board approval.

Brian reported BPA is still on a path of officially issuing the final drafts of the load following contracts mid-month with expectation of signing in December. The District has received the non-binding expression of interest regarding Slice and intends to indicate our interest. We have continued to have dialogue with our industrial customers on these issues. A workshop for the Board to review the contract choices will be scheduled within 60 – 90 days. Brian also reviewed information from the recent PPC meeting on these topics, including a new issue regarding “Contracted for / Committed to” loads that could be of interest to our industrial customers.

Staff / Director’s Reports

Sherry Crayne, Director of Customer Services – Presented the June and July Board report.

Sherry also reported that all of Customer Services representatives attended on July 28th – 29th a Measure-X on-site training to build awareness of perceptions and choices that promote team work and a positive experience for PUD customers. The training was very well received and all of the participants have expressed it was very worth while.

She also reported that on August 9th and 10th 75 employees participated in the American Cancer Society Relay for Life to raise money for cancer research and support programs. There were a total of 89 teams participating at the Relay and the District’s team, Watts Up, took second place for the most funds raised.

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

Lineman Brad Keith attended the meeting and reported that the District’s Rodeo Team participated recently in the Montana Rodeo. There were 19 teams partaking and Cowlitz PUD took third place. Brad stated these events teach installations and procedures that are very valuable and thanked the Board for the opportunity.

Rick reported the AMI project is progressing on schedule. Washington Way and 7th Avenue Substations are now AMI commissioned. To date 4,780 meters have been installed.

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

Board Reports

Commissioner McCrady – Requested an apprentice program report on how many we have now and our future needs. Monte stated we prefer no more than four apprentices at one time, which is best for training. Mark asked if we have visited the high schools on career day. Monte said we have participated at Kelso High School and there were no over whelming responses. However we have participated in LCC’s career day, which was more receptive. Monte said we do hand out apprentice information packets to interested parties to direct them to the program.

Commissioner Ketcham – Reported that the District made a good decision on hiring Paul Murphy. Public Power has asked Paul to assist Whidbey Island in becoming their own utility.

Other Business: None

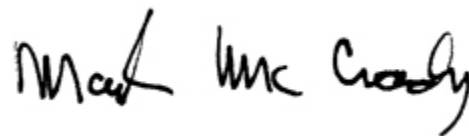
Comments:

From the General Manager: None

From the Chief Operating Officer: Don McMaster briefed the Board on the preliminary 2009 budget, new in-house mechanics and AMI status. We are making every effort to contact customers before changing out their meter to AMI. Dave Andrew said the Ethnic Support Council has put a message together for communicating with our Spanish-speaking customers.

From the Commissioners: Commissioner Ketcham stated we need to be active in the community to prepare for a pending flood and the impact it would have on the PUD. Don said some discussion has occurred. Brian said it would be good to touch basis with those employees that are working on the plan.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, August 26, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 5:10 p.m.



Secretary

Attest:



President



Vice President

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