

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of November 10, 2009

PUD Auditorium

Present:

Commissioners:

Mark McCrady, Vice President

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager

Pat Lloyd, Auditor

Paul Brachvogel, General Counsel

Steve Lafady, Human Resources Manager

Don McMaster, Chief Operating Officer

Dave Andrew, Mgr. Comm. & Govt. Affairs

Royce Hagelstein, Director of Acctg. & Finance

Rick Syring, Director of Engineering

Sandy Willman, Executive Assistant

Doug Wood, Director of IS

Diana MacDonald, Mgr. Environmental &
Regulatory Services

Heather Allen, Risk Manager

Monte Roden, Director of Operations

Jim Wellcome, Conservation Manager

Ruth Bennett, OCM Consultant

Tom Loback, Director of Customer Services

Media:

Betty Wilson, KYLK

Guests:

Ted Sprague, President of CEDC
Global Energy Partners, LLC

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 McCrady.

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

Approval of the Minutes – The minutes of the regular Board Meeting of October 27, 2009 were approved as published.

Approval of Vouchers of \$7,716,880.92 – 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 November 10, 2009, under provisions of Resolution No. 1421. Motion was made by Commissioner Ketcham 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	13473 – 13743*	\$ 6,839,057.64
Swift Revenue	02333 – 02335	415,109.61
Payroll	1776	462,713.67

*voucher No. 13475 voided

Introduction of New Employee – Director of Customer Services Tom Loback introduced Jeremy Beck. Jeremy began his employment on October 19th as a Meter Reader/Service Representative.

Guest – Ted Sprague, President of Cowlitz Economic Development Council provided an update on CEDC activities. CEDC has submitted a bid for Request for Proposal for a consultant at a national level to assist in promoting Cowlitz County. The consultant will produce an outreach and an evaluation strategy for recruiting new and working with existing companies that are most likely to employ the region's workforce in the future. The Proposals are due by November 25, 2009. Mary Brown of CEDC periodically contacts existing businesses for the purpose of retaining those businesses and how CEDC may assist them.

Public Hearing Establishing a Ten-Year Conservation Plan

Presentation: Jim Wellcome, Conservation Manager with Global Energy Partners, LLC

Discussion: Comments and Questions from the General Public

The Commission had set the Regular meeting of November 10, 2009 as the time and place to hold a Public Hearing to provide an opportunity for public comment regarding the establishment of the District's 2010 – 2019 Ten-Year Conservation Potential Assessment and 2010 – 2011 Biennial Conservation Targets as required by Washington State Energy Independence Act.

Jim Wellcome reported WAC 194-37-070(3) of I-937 described three options that a qualifying utility may use to establish its ten-year conservation potential. Because of the District's unique customer base and load profile, option No. 3 was chosen, "Utility Analysis Option." This option results in a ten-year target savings of 231,676 MWh's and a two-year target savings of 46,335 MWh's. Global Energy Partners, LLC was retained as the consulting firm to conduct a ten-year conservation potential assessment using the methodology instructed by WAC 194-37-070(6) for the "Utility Analysis Option." Brian emphasized to the Board their need to understand and approve both the election for the Utility Analysis option, including the implications on estimated savings of this option compared to the others, and the avoided cost assumption utilized in the analysis. Brian explained that the avoided cost number was calculated by Power Management staff using BPA power costs for the first two years and shaped and delivered White Creek power costs for the remaining years of the ten-year study period with the ten percent adder applied as required by the State. After the report, Commissioner McCrady asked for public comments. There were no comments from the public.

Resolution No. 2628: (Tab 3, Board packet)

A RESOLUTION authorizing the adoption of the District's Ten-Year Conservation Plan 2010 – 2019 as required for compliance with the Energy Independence Act, Initiative 937.

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady approving the resolution adopting the District's Ten-Year Conservation Plan. Motion carried.

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

Brian Skeahan, General Manager – Briefed the Commissioners of the Landfill Gas project status at the Cowlitz County landfill, which was part of our integrated resource plan. The results of the gas analysis by Siemens Industry, Inc. indicated the project is viable for a 1 MW generation facility. Siemens will now proceed with a detailed design and cost estimate.

Brian informed the Commissioners that Dave Andrew has been chosen for the Washington PUD Association's William T. Elmgren Public Service Award and he will be honored at the WPUA's Annual Awards Luncheon on December 3, 2009. The District is very proud to have him receive this award.

Updates were also given on BPA's year-end financials, Energy Northwest and the draft Northwest Sixth Power Plan.

Break: 3:37 p.m.

Reconvene: 3:42 p.m.

Doug Wood and Ruth Bennett – Doug gave a presentation on Project FOCUS that included an explanation of "Project Quality Management" and the various dashboards and their ratings. Ruth reported on her Organizational Change Management Plan for Project FOCUS.

Tom Loback, Director of Customer Services – Presented the October Board report.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – Presented their October Board report. Monte also gave an update on the construction of the new Technical Service Building and a review of the Lewis River Valley system improvement project. Rick reported to date 28,279 AMI meters have been installed with 12 substations on line that are reading the meters.

Don McMaster, Chief Operating Officer – Reported on the various projects of the substation crew. They recently completed Olive Way substation. The Washington Way substation contractor will be done in a month and then the sub crew's work begins. They will be working at NORPAC during their maintenance shut down. The new Beaver Bay substation work will follow along with the Columbia substation and AMI communications.

Don also gave an update on the proposed 2010 Budget. There is a possibility a brief budget workshop with the Board will be scheduled.

The search continues for the Controller position in the Accounting department.

Work continues with the WECC agreement and PacifiCorp.

Board Reports and Discussions – Regarding the employees' luncheon with the Board, Commissioner Ketcham suggested another topic to discuss would be "Utility 101" that would include cross-department education.

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: None

Motion:

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady that the meeting be recessed to Executive Session of the Board for the purpose of litigation pursuant to RCW 42.30.110(1)(i) for a period not to exceed approximately 20 minutes duration. The Motion carried and the meeting was recessed to Executive Session at 4:46 p.m. In attendance of the Executive Session were Commissioners Ketcham and McCrady, Brian Skeahan, Don McMaster, Paul Brachvogel, Dave Andrew, Heather Allen, Monte Roden and Rick Syring.

Following Executive Session, the regular meeting of the Commission was reconvened at approximately 5:05 p.m. No action was required following the Executive Session.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, November 24, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 5:10 p.m.

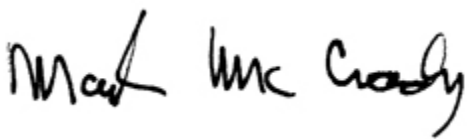


Secretary

Attest:

Excused by Motion

President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board