

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of July 8, 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
Dave Andrew, Mgr. Comm. & Govt. Affairs
Sandy Willman, Admin. Asst. to the General Mgr.
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Don McMaster, Chief Operating Officer
Doug Wood, Director of IS
Sherry Crayne, Dir. of Customer Services
Monte Roden, Director of Operations
Marilyn Miller, Treasurer/Risk Manager
Royce Hagelstein, Dir. of Acctg. & Finance
Steve Lafady, Human Resources Manager
Tim Johnston, Substation Engineering Mgr.

Guest:

Jim Oakley, Energy Northwest

Media:

Betty J. Wilson, KLTV

Public:

John Searing
Frank Wilson, Catlin Grange No. 199

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 June 10, 2008 were approved as published.

Approval of Vouchers of \$14,699,631.86 – 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 July 8, 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	05727 – 06151	\$13,668,451.90
Swift Revenue	02146 – 02152	63,242.30
Water Revenue	06519 – 06521	79,470.00
Payroll	1739 – 1740	888,467.66

Reports (Informational, Non-Action)

Introduction of new employee – Auditor Pat Lloyd introduced Accounting Intern Tracy Simmons.

Jim Oakley of Energy Northwest – Gave updates on various projects Energy Northwest is pursuing including Radar Ridge wind project and Pacific Mountain Energy. Jim will email Commissioner McCrady detailed information regarding Radar Ridge.

Brian Skeahan, General Manager – Announced the sale of a portion of the White Creek wind project, which was previously authorized at the last Board meeting in accordance with the District's Risk Policy. Updates were presented on Strategic Planning, the Harvest Wind project and BPA contracts. BPA has indicated that discussions will be coming to a close in the next couple of weeks and would like the contracts signed by December 1st.

Staff / Director's Reports

Diana MacDonald, Manager Environmental & Regulatory Services – Reported FERC has issued the District's new 50-year license for Swift effective June 1, 2008 to May 30, 2058 and summarized the benefits of what our license payments will provide through the cost share agreement.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – The June Operations and Engineering reports were presented. Monte reported that our rodeo team placed third out of eleven of the rodeo competition in Chelan, Washington. He also reported as of June 30th the system inspection and pole ground replacement project has been completed along with a complete overhead inspection of each pole.

Gary Huhta, Director of Power Management – Due to the cancelled June 24th Board meeting, May loads and resources were summarized. Storage conditions and snow pack conditions are in good shape including the Lewis River. The shear pin failure detection system has been completed at Swift. Gary also reported that we have now diversified our sales portfolio by finalizing an 18-month forward sale of two-thirds of our output from the White Creek wind project at a fixed price through December 2009 with the balance to be sold in the daily market.

Royce Hagelstein, Director of Accounting & Finance – Presented the May Board report. The sales from the White Creek wind project continue to do very well.

Board Reports

Commissioner Ketcham – Thanked everyone for their concerns over the past month regarding his health.

Commissioner McCrady – Commented on the 2009 Legislative system.

Commissioner Piper – Reported he recently attended the APPA National Conference. Climate change and global warming were the main topics of discussion.

Motion was carried to excuse Commissioner McCrady from the remaining meeting.

Agenda Action Item

Staff Recommendations:

No. 19/7/8 – Contract No. UC1398 – Acceptance of Work for Port of Kalama Substation Construction with J.H. Kelly

Substation Engineering Manager Tim Johnston reported the District entered into the contract with J.H. Kelly to provide contractor services for the construction of the Port of Kalama Substation on June 19, 2007. The new substation is being constructed to serve the new load from Cameron Family Glass in the Port of Kalama Industrial Park. All work was done satisfactory to the District's requirements and contractual obligations were met. Commissioner Piper moved to accept the contract as complete and seconded by Commissioner Ketcham. Motion carried.

No. 20/7/8 – Transfer of Accounts to Reserve for Bad Debts

Auditor Pat Lloyd requested authorization to transfer 297 accounts to Reserve for Bad Debts that were terminated services during the first quarter of 2007. Commissioner Piper moved to authorize the transfer and seconded by Commissioner Ketcham. Motion carried.

Motion:

That the Board of Commissioners authorizes the General Manager on behalf of the District to enter into a Legal Services Letter Agreement for the Interim General Counsel.

General Manager Brian Skeahan reported that this Agreement is necessary given that the position of General Counsel is still open. Don Cohen of Gordon, Thomas, Honeywell has agreed to provide these services. His services will be on a needed basis. Commissioner Piper made a Motion to authorize the General Manager on behalf of the District to enter into a legal services agreement for the Interim General Counsel. Motion was seconded by Commissioner Ketcham. Motion carried.

Other Business: None

Comments:

From the General Public: Betty Wilson of KYLK welcomed Commissioner Ketcham back.

From the General Manager: None

From the Chief Operating Officer: Don McMaster reported the AMI project is on schedule and Monte Roden and Matt Hillebrand are putting great emphasis on the change out of meters.

From the Commissioners: None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, July 22, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 4:10 p.m.



Secretary

Attest:



President



Vice President

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