

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of August 26, 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.
Jim Wellcome, Conservation Manager
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Don McMaster, Chief Operating Officer
Doug Wood, Director of IS
Steve Lafady, Human Resources Manager
Dave Andrew, Mgr. Comm. & Govt. Affairs
Royce Hagelstein, Dir. of Acctg. & Finance
Monte Roden, Director of Operations
Mike Larsen, Engineer
Jeff Moses, Purchasing Manager

Media:

KLTV
Erik Olsen, The Daily News

Guest:

Pete St. Denis, Bratrud/Propel Insurance

Public:

Dave Quinn
Tamela Keith

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 August 12, 2008 were approved as published.

Approval of Vouchers of \$12,723,042.29 – 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 26, 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	06598 – 06797*	\$12,124,195.72
Swift Revenue	02164 – 02172	128,207.95
Water Revenue	06524	9,128.00
Payroll	1744	461,510.62

* Voucher No. 06655 cancelled.

Presentation – Commissioner Ketcham presented Sherry Crayne with a meter lamp in recognition and appreciation of all her efforts in the fund raising event for the American Cancer Society “Relay for Life.”

Introduction of new employee – Doug Wood introduced Chris Talent as the District’s new Database and Systems Administrator.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Reported the District along with Grant and Klickitat PUD’s intend to enter into an agreement with RW Beck to prepare a Pacific Northwest study of the EPRI report. Hopefully the study will assist in promoting the development of the northwest energy mix in a direction of new hydro and not in a position of gas and renewables only plan that was cautioned by EPRI. Commissioner Ketcham stated the Board wants to mold the direction of public power as the leader and agreed to the study.

Staff / Director’s Reports

Royce Hagelstein, Director of Accounting & Finance – Presented the July Board report. Royce stated the White Creek wind project has been a strong performer for operating revenues.

Gary Huhta, Director of Power Management – Presented the July Board report.

Jim Wellcome, Conservation Manager – Reported the conservation department has recently executed two projects for Longview Fibre; the first one being a large efficiency project and the second one a modernization project.

Steve Lafady, Human Resources Manager – Presented an employment status and apprentice standards report. The District has hired eight new employees in 2008.

Board Reports – None

Agenda Action Items

Staff Recommendations:

No. 23/8/26 – Property Insurance Renewal with Aegis Insurance Services

Marilyn Miller recommended renewing the property insurance with Aegis Insurance. The cost of property insurance increased approximately \$30,700 due to increased total insurable value, which is based on replacement value. The brokers did not solicit competing pricing on the District’s property insurance because this is the second year in the Aegis program. It is better to go through that process every three years. Pete St. Denis of Propel Insurance said he was satisfied with the flat renewal and considering all the facts feels this was a reasonable renewal. Motion was made by Commissioner McCrady to approve the renewal of property insurance with Aegis and seconded by Commissioner Piper. Motion carried.

No. 24/8/26 – Bid Award – 2008/2009 Distribution Transformers, Contract No. UC1441

Purchasing Manager Jeff Moses and Engineer Mike Larsen reported on August 14th they opened distribution transformer bid proposals from four vendors representing seven transformer manufacturers. Based on their evaluation and inventory requirements they recommended purchasing a total of 540 units from five manufacturers as provided for in the 2008 Budget. Jeff

said delivery dates have been improved over 2007 with delivery dates down to 13 weeks or less. All of these transformers will be delivered in 2008. Motion was made by Commissioner McCrady to authorize the purchase of 2008/2009 distribution transformers and seconded by Commissioner Piper. Motion carried.

No. 25/8/26 – Adoption of the 2008 Integrated Resource Plan (IRP) and the CTED Cover Sheet

Gary Huhta reported that from the passage of HB1010 by the Washington State Legislature in 2006, RCW 19.280, public utilities with 25,000 or more customers are required to prepare an IRP by September 1, 2008. A series of meetings began in 2007 between The Energy Authority and the District to develop the plan, resulting in the final draft of the IRP that was presented to the Board and members of the public at a Public Hearing held on August 12, 2008. Motion was made by Commissioner McCrady to authorize the adoption of the IRP and seconded by Commissioner Piper. Motion carried.

Resolution No. 2604:

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington, Authorizing the Execution of Agreements Related to the Preservation and Development of the Harvest Wind Project.

Brian Skeahan reported this resolution authorizes the District to move forward and participate in the next phase of the White Creek Wind project known as Harvest Wind project. The other prospective partners are Eugene Water and Electric, Peninsula Light and Lakeview Power and Light. At this time the partners are considering turbine bids from five manufacturers. The cost has significantly increased from the other White Creek phases. This project commensurate with the new adopted IRP and a step forward with the I-937 requirements. Motion was made by Commissioner Piper to approve the resolution and seconded by Commissioner McCrady. Motion carried.

Resolution No. 2605:

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Cowlitz County, Washington, Authorizing Good Faith Estimate for Post 2011-BPA Slice Purchase.

Brian Skeahan reported this resolution authorizes the General Manager to submit a Good Faith Estimate to BPA maintaining the District's eligibility for post-2011 Block and Slice product. BPA has required a formal Board approval in order for this action to have effect. Motion was made by Commissioner McCrady to approve the resolution and seconded by Commissioner Piper. Motion carried.

Other Business: None

Comments:

From the General Public: None

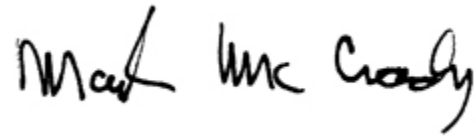
From the General Manager: None

From the Chief Operating Officer: Don McMaster reported he is currently working on an Identity Theft Policy which is required by the federal government no later than November 1, 2008. Any organization that offers or maintains one or more covered accounts for customers

must develop and implement a written Identity Theft Policy. Utilities were specifically mentioned which must comply with these rules.

From the Commissioners: None

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, September 9, 2008 at 2:00 p.m. in the PUD Auditorium. Meeting was adjourned at 4:00 p.m.



Secretary

Attest:



President



Vice President

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