

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

**MINUTES OF MEETING OF COMMISSIONERS
Regular Meeting of March 10, 2009
PUD Auditorium**

Present:**Commissioners:**

Edward "Ned" Piper, President
Mark McCrady, Vice President

Merritt "Buz" Ketcham, Secretary

Staff:

Brian Skeahan, General Manager
Don McMaster, Chief Operating Officer
Pat Lloyd, Auditor
Royce Hagelstein, Dir. of Acctg. & Finance
Sandy Willman, Executive Assistant
Sherry Crayne, Director of Custr. Services
Tom Loback, Interim Dir. of Custr. Services

Paul Brachvogel, General Counsel
Dave Andrew, Mgr. Comm. & Govt. Affairs
Rick Syring, Director of Engineering
Gary Huhta, Director of Power Management
Monte Roden, Director of Operations
Steve Lafady, Human Resources Manager
Diana MacDonald, Mgr. Environmental & Regulatory Services

Media:

Betty 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 Piper.

Approval of the Minutes – The minutes of the regular Board Meeting of February 24, 2009 were approved as published.

Approval of Vouchers of \$3,305,335.58 – 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 March 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	09582 – 09818	\$ 2,735,539.24
Swift Revenue	02242 – 02245	105,573.39
Payroll	1758	463,989.95
Water	06535	233.00

Introduction of New Employee – Don McMaster introduced Thomas A. Loback who began employment on March 2, 2009 as Interim Customer Service Director.

Reports (Informational, Non-Action)

Brian Skeahan, General Manager – Gave an update on BPA's proposed rate adjustment and financial situation. The continued lack of snowpack and low prices in the short term market has caused BPA's financial situation to deteriorate significantly. BPA will work collaboratively in the

rate case to find the best solution. More information will be available when BPA releases their FY 2009 Second Quarter Review results in April.

The Harvest Wind project continues through the pre-construction stages of activities. During March the major thrust is to mobilize to the project site. Other key issues the project team is addressing are balance of plant contract, permits, transmission pathway easements and routes, BPA interconnection and finalization of the joint O & M arrangement. The Economic Stimulus Package has created some additional financial options and opportunities.

Staff / Director's Reports

Sherry Crayne, Director of Customer Services – Presented the February 2009 Board report.

Monte Roden, Director of Operations and Rick Syring, Director of Engineering – Presented their February 2009 Board reports. Monte reported the Tower Road re-conductor project will be done within three weeks and the Olive Way Substation project should be completed by June. Rick reported 15,365 AMI meters have been installed to date system wide. Rick's report included a Key Account Management update. Specific engineers are assigned to the top 25 customers and routinely contacted by their assigned engineer. A meeting for our large customers is scheduled in August at the PUD.

Don McMaster, Chief Operating Officer – Gave updates on the expansion of the Olive Way Substation, Operation's building expansion project, property matters at Swift and Project Focus.

Dave Andrew, Mgr. Comm. & Govt. Affairs – Reported we are in the ninth week of the session. March 12 is the last day to consider bills in house of origin. Updates were given on climate change bills, I-937 (SB 5840) and sales-and-use tax exemptions on new renewables (HB 1009). Regular session will conclude on April 26.

Agenda Action Items

Motion:

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady that the Board of Commissioners approves the Environmental Sustainability Policy. Motion carried.

Motion:

Motion was made by Commissioner Ketcham and seconded by Commissioner McCrady that the Board of Commissioners authorizes Commissioner Piper to sign a letter to FEMA in an attempt to secure partial reimbursement for expenses associated with the flooding in January 2009. Motion carried.

Board Reports and Discussions

Commissioner Ketcham – Stated due to the economy situation he would like to avoid a rate increase in 2009 or only a minimum rate increase if at all possible. Brian stated we are sensitive to that and discussions have already taken place with staff. While Commissioner Piper was attending the recent legislative rally in Washington, DC he met with Senator Marie Cantwell and other NW delegations on this matter.

Commissioner Piper – Read a letter received from customer Dorothy Leneard thanking the PUD employees for their continued appreciated work and the *Connected* publication.

Other Business: None

Comments:

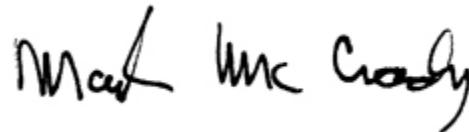
From the General Public: None

From the General Manager: Reported he gave a presentation on the Greenhouse Gas Study at NWPPA Government Relations Committee conference last week. He also mentioned that he has been approached to be a preferred provider for a solar project.

From the Commissioners: Requested a copy of Northwest Rivers Partner completed recent survey. Dave Andrew will follow-up.

From the Chief Operating Officer: Gave updates on the Capital Budget, SCADA and underground cable replacement projects.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, March 24, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:30 p.m.



Secretary

Attest:



President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board