

PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON

MINUTES OF MEETING OF COMMISSIONERS

Regular Meeting of October 27, 2009

PUD Auditorium

Present:

Commissioners:

Edward "Ned" Piper, President
Merritt "Buz" Ketcham, Secretary

Mark McCrady, Vice President

Staff:

Brian Skeahan, General Manager
Paul Brachvogel, General Counsel
Don McMaster, Chief Operating Officer
Royce Hagelstein, Director of Acctg. & Finance
Sandy Willman, Executive Assistant
Diana MacDonald, Mgr. Environmental &
Regulatory Services

Pat Lloyd, Auditor
Steve Lafady, Human Resources Manager
Dave Andrew, Mgr. Comm. & Govt. Affairs
Rick Syring, Director of Engineering
Gary Huhta, Director of Power Management
Heather Allen, Risk Manager
Jim Wellcome, Conservation Manager

Public:

Daniel Wilson
Carl Torgerson

Media:

Betty Wilson, KYLK

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 October 13, 2009 were approved as published.

Approval of Vouchers of \$14,948,230.09 – 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 October 27, 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	13250 – 13472*	\$14,399,007.59
Swift Revenue	02328 – 02332	74,418.77
Payroll	1775	474,803.73

*voucher No. 13258 voided

Comments from the General Public – Customer Carl Torgerson addressed the Commissioners regarding the new customer Basic Charge of \$5.00. He feels it doesn't promote conservation and would have preferred a rate increase. Commissioners McCrady and Ketcham explained the elements behind the Basic Charge.

Customer Daniel Wilson expressed his opinion to the Commissioners regarding the new customer Basic Charge. He would have preferred lowering the rate and then adding the basic charge. He also questioned the tax charges. Royce Hagelstein, Director of Accounting and Finance, will work with him on his questions.

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

Brian Skeahan, General Manager – Informed the Commissioners of the proposed BPA transmission project going through Cowlitz County. As the demand for electricity increases throughout the Northwest, BPA's transmission system will continue to be tested. A lack of transmission lines creates problems for the wind farm projects. The proposed project would strengthen BPA's transmission grid and allow it to meet future electricity demands safely and reliably. BPA is conducting a public meeting open house on Thursday, October 29 from 4:00 p.m. – 7:00 p.m. at Mark Morris High School.

The District has two opportunities to participate in small solar projects, one through Central Power Washington Agency and the second one through Energy Northwest. They're both in early stages of development. We will be providing for both projects an expression of initial interest, which will allow us to see where it leads without any significant obligation to either.

Jim Wellcome, Conservation Manager – Gave a presentation on the ductless heat pump system. This system is highly efficient and heats and cools using 25% to 50% less energy than other electric standard or forced air systems. To date 84 systems have been installed in Cowlitz County. The cost for one installed system is approximately \$3,000 to \$5,000. A rebate of \$1,500 per household is available. Jim reported the Conservation department is averaging four to five customers' requests per week.

Royce Hagelstein, Director of Accounting & Finance – Presented the September Board report.

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

Agenda Action Items

Resolution No. 2626: (Tab 3, Board packet)

A RESOLUTION of the Public Utility District No. 1 of Cowlitz County, Washington, approving (i) the execution and delivery of a Memorandum of Understanding relating to the District's membership in The Energy Authority, Inc. and (ii) the District's membership in The Energy Authority, Inc.; adopting findings in connection therewith; approving the negotiation, execution and delivery of related documents and agreements; designating Authorized Officers and delegating authority; and authorizing certain related matters.

General Counsel Paul Brachvogel reported this resolution outlines a significant relationship with The Energy Authority (TEA). It also specifically authorizes the General Manager to enter into certain agreements, i.e. the Memorandum of Understanding, The Operating Agreement, Electric Advance Agreement and Membership Agreement. With the District as a member of TEA, these Agreements and arrangements were necessary to jointly exercise the parties' powers to

purchase and sell electric energy with other public agencies. Commissioner McCrady moved to adopt the resolution and seconded by Commissioner Ketcham. Motion carried.

Board Reports and Discussions: None

Other Business: None

Comments:

From the General Manager: None

From the Commissioners: None

From the Chief Operating Officer: Reported Risk Manager Heather Allen is in the process of updating the District's accident and claim procedures; two engineers are out of town for SCADA verification; and the new Exchange Server 2007 Enterprise will be implemented soon which will increase mailbox size.

Adjournment – The next regular Board meeting of the Commission would be held Tuesday, November 10, 2009 at 2:00 p.m. in the PUD Auditorium. The meeting was adjourned at 4:10 p.m.

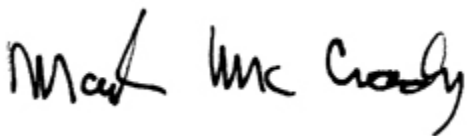


Secretary

Attest:

Excused by Motion

President



Vice President

Prepared by _____
Sandra Willman, Clerk of the Board