

**Minutes of Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County**

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
October 9, 2007
12:30 PM**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: Doug Adams, Don Coppock, Warren Miller, Derek Miller,
Ron Gadeberg, Deb Peters, Steve Brown, Tina DeLap
Attorney: Scott DeTro – Callaway, Howe & DeTro
Public: Bill Froemke, Randy Vanhoff - Zeck Butler Architects;
Sheila Corson – Chronicle;
Roy Webster

Summary Agenda

- I. Call to Order
- II. Workshop
- III. Business Meeting
 - 1. Approval of Agenda
 - 2. Consent Agenda Items
 - a) Minutes of 10-2-07
 - b) Vouchers
 - c) Work Orders
 - d) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - a) Appointing General Manager – Resolution 1444
 - b) Fixing Compensation for General Manager – Resolution 1445
 - c) Revising and Supplementing 2007 Budget – Resolution 1446
 - d) Hearing on Adoption of 2008 Annual Budget
 - e) Central Washington Power Agency – Membership
 - 5. New Business
 - 6. Manager’s Report
 - 7. Power Report
 - 8. Other Business
 - 9. Future Planning
 - 10. Meetings
- IV. Executive Session
- V. Adjournment

I. Call to Order:

President Womack called the meeting to order at 12:34 p.m. and immediately convened into the workshop period.

II. Workshop:

Zeck Butler Architecture presented layout diagrams and cost information on their proposal for the District’s new headquarters building in Okanogan. Cost estimates are in line with budget forecasts.

III. Business Meeting:

President Womack ended the workshop and reconvened the meeting into regular session at 1:42 p.m.

1. Approval of Agenda:

Interim Manager Doug Adams requested progress on the new headquarters building be added to the Agenda. This item was added under Unfinished Business.

Commissioner Bolz moved, seconded by Commissioner Butler, to approve the Agenda as amended. The motion carried unanimously.

2. Approval of Consent Agenda Items:

a) Minutes:

Commissioner Womack requested the Minutes be removed from the regular Consent Agenda and discussed as a separate item. The Commissioners approved removal of the Minutes from the Consent Agenda.

b) Vouchers:

The following vouchers were submitted for approval:

Vouchers 125, and 98968 through 99039 in the amount of \$384,558.57.

c) Work Orders:

The following work orders were submitted for approval:

07-0402	Tria Skirko, 476 N. Malott Rd.	\$1,542.00
07-0404	Marty Palmanteer, 126 Omak-Riverside Eastside Rd.	3,825.00

07-0410	John Impero, 96 Whitetail Ln., Ellisforde	8,100.00
07-0612	Reece Gann, 203 Glenwood, Omak	5,564.00
07-0614	Eric Zandell, 11 Miller's Ln., Oroville	1,946.00
07-0615	City of Brewster, 4 th Ave., Brewster	7,276.00
07-0618	Georgia Darwood, off 97 Poorman Crk., Twisp	7,551.00
07-0621	ZT Peterson, 30 Epley Rd., Omak	1,621.00
07-0628	District, Omak Riverside-Eastside Rd.	<u>1,826.00</u>
	Total	\$39,251.00

Commissioner Bolz moved, seconded by Commissioner Butler, to approve the Consent Agenda. The motion carried unanimously.

d) Minutes

The Minutes of the October 2, 2007 regular meeting were submitted for approval. To comply with RCW laws, the Minutes shall be amended to reflect Resolution 1444 appointing John Grubich as Manager was introduced, instead of approved.

Commissioner Bolz moved to approve the Minutes of the previous meeting as amended. Commissioner Butler seconded the motion. The motion carried unanimously, with no further discussion.

3. Public Comment:

No public comments were offered.

4. Unfinished Business:

a) Appointing General Manager – Resolution 1444:

Commissioner Bolz moved, seconded by Commissioner Butler, to approve Resolution 1444 appointing John Grubich as General Manager effective November 1, 2007. The motion received unanimous approval.

b) Fixing Compensation for General Manager – Resolution 1445:

Commissioner Bolz moved, seconded by Commissioner Butler, to approve Resolution 1445 fixing compensation for the General Manager. Upon the vote, the motion passed unanimously.

c) Revising and Supplementing 2007 Budget – Resolution 1446:

Commissioner Butler moved, seconded by Commissioner Bolz, to approve Resolution 1446 revising and supplementing the 2007 budget as passed and approved by Resolution 1319. The motion carried unanimously.

d) **Hearing on Adoption of 2008 Annual Budget:**

Discussion of this subject will be continued at the next regularly scheduled Board Meeting on October 23, 2007.

e) **Central Washington Power Agency -- Membership:**

Interim Manager Doug Adams presented tentative startup costs for the Central Washington Power Agency to develop a scope of work and determine how they can best assist utilities. Preliminary allocation costs are \$1.50 per meter per utility. If every utility showing initial interest opts in, the District's cost would be \$13,000. Currently, only 11 utilities have shown serious interest, making the District's cost closer to \$26,000. Interested utilities are submitting lists of ways in which CWPA can assist during an energy crisis.

Commissioner Bolz will not be present at the October 23, 2007 meeting, but volunteered his approval of funding startup costs to CWPA in an amount not to exceed \$26,000.

Doug Adams will bring additional information, including the District's costs to initiate this program, for the Board's review at the next meeting.

f) **RFP on New Headquarters Building:**

Doug Adams gave a progress report on facilities planning. The District hopes to send out Requests for Professional Services (RFPs) for engineering and design of the new building, pending a final decision on square footage, number of stories and parking issues.

Commissioner Bolz recommended considering energy efficiency first, then cost per square foot, as saving a small amount of money up front does not compensate for higher maintenance and utility costs over the lifetime of the building.

Commissioner Womack recommended using a Project Manager for construction, as the benefits of having a responsible overseer more than outweigh the cost of their salary.

This issue will be discussed further during the October 23, 2007 Workshop and Board meeting.

5. **New Business:**

a) **Declaring Certain Equipment Surplus and Authorizing the Sale or Disposal Thereof – Resolution 1447:**

Resolution 1447 was presented to declare non-repairable, empty transformers surplus. In the past, the District has paid for disposal of unusable transformers. Jay VanderWeide, the District's Locator, researched disposal options where the District will now receive money for the old equipment rather than paying for their disposal.

Commissioner Bolz moved, seconded by Commissioner Butler, to approve Resolution 1447 declaring certain equipment surplus and authorizing the sale or disposal thereof. The motion carried unanimously.

6. Manager's Report:

Interim Manager Doug Adams gave updates on the Public Power Council meeting he attended last week. Regional talks on BPA's new product offerings are continuing.

Power Resource Analyst Ron Gadeberg reported on preliminary negotiations with Bonneville, focusing on Slice/Block products. BPA's initial proposal was for flat blocks of power year round, and Slice participants are negotiating for a more flexible product. The District's current Block is shaped to roughly follow our load, which is winter peaking. A primary concern of Slice participants is that an increase in Slice members will decrease the amount of Slice Blocks available to each member. BPA has not been receptive to increasing their Slice allocation, which is the only flexible product they are offering this year.

Doug Adams reported Labor negotiations are starting, with meetings scheduled for October 18 and 25, 2007. Future meetings are scheduled through February 2008, with signed contracts being due April 1, 2008.

7. Power Report:

No power report was presented.

8. Other Business:

No other business items were presented.

9. Future Planning:

The District headquarters building will be discussed at the next Board meeting.

10. Meetings:

Commissioner Bolz will be attending a NoaNet meeting October 10, 2007 and a WaPUDA Budget Committee meeting on October 11, 2007.

Commissioner Butler will be attending a WaPUDA meeting October 11, 2007 and an Energy Northwest meeting later this month.

Commissioner Womack will be at WaPUDA meetings October 17-19, 2007.

The next regularly scheduled Board meeting will be October 23, 2007 at the PUD auditorium. The workshop period will begin at 12:30, with the Regular meeting commencing at 1:30 p.m.

a) Schedule Budget Workshops:

Workshops for the purpose of discussing the 2008 budget will occur at the conclusion of the Business Meeting section of the Board meetings on October 23, November 13, and November 27, 2007. A Special Commission meeting for the purpose of discussing the 2008 budget will be held November 14, 2007 at 3:00 pm in the PUD auditorium.

III. Executive Session:

The regular meeting was recessed at 2:30 p.m. and reconvened into executive session at 2:30 p.m. to review the performance of a public employee pursuant to RCW 42.30.110(1)(g), and to discuss with legal counsel representing the District litigation or potential litigation to which the District, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the District, pursuant to RCW 42.30.110(1)(i).

It was expected the executive session would last 15 minutes, with no action anticipated.

At 2:45 p.m. the Executive Session was recessed with no public announcement.

IV. Adjournment:

The regular meeting was reconvened at 2:45 p.m. There being no further business to discuss, the meeting was adjourned at 2:46 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary