

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
January 15, 2008
12:30 PM**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: John Grubich, Don Coppock, Derek Miller, Ron Gadeberg,
Julie Pyper, Debbie Peters, Tina DeLap
Attorney: Michael Howe
Public: Sheila Corson – The Chronicle; Roy Webster

Summary Agenda

- I. Call to Order
- II. Workshop 12:30 p.m.
- III. Business Meeting – 1:30 p.m.
 1. Approval of Agenda
 2. Consent Agenda Items
 - a) Minutes of 12-18-07
 - b) Vouchers
 - c) Work Orders
 - d) Transfers of Accounts
 3. Public Comment
 4. Unfinished Business
 5. New Business
 - a) Election of Board Officers
 - b) Appointment of Committee Representatives
 - c) Recognition of Employee Anniversary
 - d) Professional Service Agreement – Lands Energy
 - e) Professional Service Agreement – Cooperative Benefits & Financial Services
 - f) Professional Service Agreement – Berhmann Design & Consulting
 - g) Professional Service Agreements – JD Engineering
 - h) Results of Bid No. 337-07
 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.

II. Workshop:

No workshop items were presented.

III. Business Meeting:

1. Approval of Agenda:

The following Agenda Items were added under Item **5. New Business:**

- i. Discussion of Consent Agenda

j. General Wage Increase

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:

The Minutes of the December 18, 2007 regular meeting were submitted for approval.

b) Vouchers:

Vouchers in the amount of \$3,349,892.58 were submitted for approval.

c) Work Orders:

Work Orders in the amount of \$114,529.00 were submitted for approval.

d) Transfer of Accounts

No transfers of accounts were submitted for approval.

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

3. Public Comment:

Roy Webster of Okanogan presented questions regarding the District’s Telecom program, internet costs and the availability of “bundled” telephone, fiber & internet packages. Staff responded that population density and the cost of placing infrastructure affect District rates. Commissioners Bolz and Butler noted some Internet Service Providers (ISP’s) had reduced their rates to end-users. Mr. Webster was advised to contact his Internet Service Provider (ISP) for questions regarding their rates and services.

4. Unfinished Business:

No Unfinished Business items were presented.

5. New Business:

a) Election of Board Officers

Commissioner Womack opened the floor for nominations for Board President. Commissioner Butler nominated Commissioner Bolz as President. Commissioner Womack seconded the motion. Upon the vote, the motion was unanimously approved.

Commissioner Bolz nominated Commissioner Butler as Vice President. The motion was seconded by Commissioner Womack and passed unanimously.

Commissioner Womack was nominated by Commissioner Butler as Secretary. The motion, seconded by Commissioner Bolz, received unanimous approval.

b) Appointment of Committee Representatives

The following Committee Representatives were chosen for 2008:

<u>Committee</u>	<u>Representative</u>	<u>Alternate</u>
Energy Northwest	Ernest Bolz	Trish Butler
Northwest Open Access Network	Ernie Bolz	John Grubich
Northwest Public Power Association	Ernest Bolz	Trish Butler
Public Utility Risk Management Services	Trish Butler	Fred Burke
Public Power Council	John Grubich	Doug Adams
Washington PUD Association	David Womack	Trish Butler
Washington PUD Association Round Table	Trish Butler	Ernest Bolz

Commissioner Womack moved to accept the above committee representatives. Commissioner Butler seconded the motion, which carried with unanimous approval.

c) Recognition of Employee Anniversaries

Manager John Grubich introduced Brewster Lineman Wolter Abbink, who has been with the District since 1992, and District Treasurer/Accountant Janet Crossland, who has been with the District since 1982. Commissioners and staff commended these employees for their years of service.

d) Professional Service Agreement – Lands Energy

Power Resource Analyst Ron Gadeberg introduced a Professional Service Agreement with Lands Energy to assist the District with North American Electric Reliability Corporation (NERC) system reliability mandates.

Commissioner Womack moved to approve staff's recommendation to authorize the General Manager to execute a Professional Service Agreement with Lands Energy to assist the District in assuring compliance with Bulk Power System Reliability Standards set forth in FERC Order #693 that will be enforced by NERC and audited by WECC, in an amount not to exceed \$88,000.00. Commissioner Butler seconded the motion. Upon the vote, the motion carried unanimously.

e) Professional Service Agreement–Cooperative Benefits & Financial Services

Human Resource Director Julie Pyper presented a Professional Service Agreement with Cooperative Benefits and Financial Services, LLC, a company that specializes in human resource programs for electric utilities.

Commissioner Butler moved to authorize the General Manager to execute a Professional Service Agreement with Cooperative Benefits and Financial Services, LLC in an amount not to exceed \$65,000, for the design and development of a Compensation Study, Succession Planning Study, Performance Appraisal System and Human Resources Functional Assessment. Commissioner Womack seconded the motion, which passed unanimously.

f) Professional Service Agreement – Berhmann Design & Consulting

Chief Engineer Derek Miller presented a Professional Service Agreement with Berhmann Design and Consulting, to replace a scope of work previously approved for Pondera Engineering. This action allows the District to retain the services of Fred Behrmann, the original Project Manager. Legal Counsel recommended reassigning the existing contract from Pondera to Behrmann, based on a verbal approval previously received from Pondera.

Commissioner Butler moved to authorize the Manager to reassign the pre-existing contract with Pondera to Behrmann Design and Consulting, PLLC, for design of the Pateros to Twisp 115 KV Transmission Line. Commissioner Womack seconded the motion, which received unanimous approval.

g) Professional Service Agreements – JD Engineering

Chief Engineer Derek Miller presented two Professional Service Agreements with JD Engineering, one for the design and project management of the Gold Creek Substation and one for design and project management of Twisp Substation additions.

Commissioner Butler moved to authorize the Manger to enter into a Professional Service Agreement with JD Engineering, PC in an amount not to exceed \$138,110 for the purpose of design and project management of Gold Creek Substation. Commissioner Womack seconded the motion, which passed unanimously.

Commissioner Womack moved to authorize the Manager to enter into a Professional Service Agreement with JD Engineering, PC in an amount not to exceed \$45,780 for the purpose of design and project management of Twisp Substation Additions. Commissioner Butler seconded the motion, which passed unanimously.

h) Bid No. 337-07 Results

Chief Engineer Derek Miller discussed results of Bid No. 337-07, for the purchase of two utility truck bodies to be mounted on two Ford F550 Lineman Foreman trucks purchased in 2007. Bids received contained significant variances in quality and durability. Staff felt it would be in the District's best interest to reject all bids, more precisely clarify specifications and re-bid for the truck bodies.

Commissioner Womack moved to reject all bids received for Bid No. 337-07 "Utility Bodies". Commissioner Butler seconded the motion. The motion passed unanimously with no further discussion.

i) Consent Agenda

To facilitate consistency, Manager Grubich recommended Consent Agenda items be summarized in the Minutes. Rather than a detailed listing of work orders, vouchers and transfers of accounts, future Minutes will contain total dollar amounts only.

j) General Wage Increase

Following staff recommendation, Commissioner Womack moved to authorize the Manager to implement a 2% salary range increase. The motion was seconded by Commissioner Butler, and carried unanimously.

6. Manager's Report:

Manager Grubich updated the Board on preliminary arrangements for this year's Strategic Planning meeting, which will take place March 28 – 30, 2008 at the Enzian Inn in Leavenworth.

Richard Cuthbert of RW Beck in Seattle will be on site in mid-February to meet with staff and assess the District's need for cost of service studies and financial forecasting.

Energy Services Coordinator Debra Peters presented information on a BPA custom project. A local fruit packing facility is working closely with BPA and Shifletts Controlled Atmospheric Systems in Wenatchee to implement energy-saving protocols in their warehouse. The District will use conservation rate credits to help fund these equipment upgrades, projected to save over 967,000 kilowatts of power per year.

7. Power Report:

Power Resource Analyst Ron Gadeberg noted December sales were down, but year end power sales are still anticipated at \$2 million over budgeted amounts. Year-end figures should be available by the end of February.

8. Other Business:

Commissioner Womack noted WPUA has organized legislative meetings for staff and Commissioners at the State Capitol in Olympia on January 17th.

Steve Jones, Executive Director of Washington PUD Association, notified the Board that Vera Claussen, a previous long-term Grant County Commissioner, died in a fire at her home in Soap Lake. The Board acknowledged Vera's many contributions to the power industry.

9. Future Planning:

No Future Planning items were presented.

10. Meetings:

Commissioner Bolz attended a NoaNet meeting in Seattle on January 9, 2008.

Commissioner Bolz attended the Enloe Dam Public Hearing on January 9th in Oroville. Bolz noted the meeting was well attended, and District and Entrix staff received applause after their presentations.

Commissioner Butler attended the Enloe Dam Public Hearing in Okanogan on January 10th, and commended staff on their presentations. Commissioner Womack also attended the January 10th Public Hearing.

The next Okanogan PUD Board of Commissioners meeting is scheduled for January 29, 2008 at 1:30 p.m. at the Omak Best Western Peppertree Inn, 820 Koala Drive, Omak.

IV. Executive Session:

The regular meeting was recessed at 2:30 p.m. and reconvened into executive session at 2:40 p.m. 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 approximately one hour, with no action anticipated.

At 3:40 p.m. the executive session was recessed with no public announcement.

V. Adjournment:

There being no further business to discuss, the meeting was adjourned at 3:40 p.m.

Ernest J. Bolz, President

Trish Butler, Vice-President

ATTEST:

David Womack, Secretary