

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
October 14, 2008
11:30 AM**

Present: Board: Ernest Bolz, David Womack
Staff: John Grubich, Doug Adams, Don Coppock, Ron Gadeberg, Rene Scott, Tina DeLap;
Workshop only: Julie Pyper, Derek Miller, Dan Boettger, Fred Burke, Kathy Gordon
Attorney: Michael Howe
Public: Richard Cuthbert, Timothy Baars - R.W. Beck
Sheila Corson - The Chronicle

Summary Agenda

- I. Workshop – R.W. Beck Cost of Service Study, 11:30 a.m. – 1:30 p.m.
- II. Call to Order
- III. Business Meeting – 1:30 p.m.
 - 1. Approval of Agenda
 - 2. Approval of Consent Agenda
 - a) Minutes of 9-30-08
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) Present Revisions to 2008 Budget
 - b) Hearing on Adoption of 2009 Budget
 - 6. Manager’s Report
 - 7. Power Report
 - 8. Other Business
 - 9. Future Planning
 - 10. Meetings
- IV. Executive Session
- V. Adjournment

I. Workshop - R.W. Beck Cost of Service Study

Richard Cuthbert and Timothy Baars of R.W. Beck presented an overview of the Cost of Service Study process.

II. Call to Order – Pledge of Allegiance

President Bolz called the Regular meeting to order at 1:30 p.m. The Pledge of Allegiance was recited.

III. Business Meeting, 1:30 p.m.

1. Approval of Agenda:

Manager John Grubich requested the addition of an Executive Session for the purpose of discussing litigation. It was expected the Executive Session would last approximately 15 minutes, with no action anticipated.

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

2. Approval of Consent Agenda Items:

a) Minutes:

Minutes of the September 30, 2008 regular meeting were submitted for approval.

b) Vouchers:

Vouchers in the amount of \$766,762.84 were submitted for approval.

c) Transfers of Accounts:

Account transfers in the amount of \$8,819.38 were submitted for approval.

Commissioner Womack moved to approve the Consent Agenda. Commissioner Bolz seconded the motion. Upon the vote, the motion received unanimous approval.

3. Public Comment:

No Public Comments were offered.

4. Unfinished Business:

No Unfinished Business items were presented.

5. New Business:

a) Projection of Actuals for 2008 Budget

Director of Finance / Auditor Don Coppock reported on projections versus actual expenses for the 2008 budget. Expenses are within budget parameters, so amendments to the 2008 budget are not anticipated.

b) Hearing on Adoption of 2009 Budget

Commissioner Bolz opened the 2009 Budget Hearing. Director of Finance/Auditor Don Coppock presented the 2009 Preliminary Budget and explained assumptions used in preparation of the document. Manager John Grubich commended staff on their efforts to conserve District resources during the budget decision-making process.

The budget hearing was recessed at 2:38 p.m. to be continued at the next regularly scheduled Board meeting.

6. Manager's Report:

Manager John Grubich noted that Don Coppock and District Treasurer Janet Crossland attended a Washington PUD Association (WPUDA) Finance Officers Meeting in Chelan last week. Coppock reported the meetings provided valuable information on many topics such as tiered rates, emergency preparedness for disasters and effects of the Western Climate Initiative.

USKH Architects met with legal counsel & key staff to review space requirements for the District's proposed new headquarters building, targeted for completion in 2010.

Grubich introduced District employee Rene Scott, who will be assisting with administrative support on an as-needed basis.

7. Power Report:

Power Resource Manager Ron Gadeberg noted September wholesale and August retail power sales were below budgeted projections, however year to date power revenues still exceed 2008 budget expectations by over \$2 million.

8. Other Business:

No Other Business items were presented.

9. Future Planning:

Budget workshop meetings will continue through November and December.

10. Meetings:

Commissioner Womack will attend WPUA meetings in Olympia this week and Energy Northwest meetings in Richland next week.

Commissioner Womack and Manager John Grubich toured the Omak City Hall building and spoke with the building inspector and city administrator regarding architectural issues.

Commissioner Bolz traveled October 7, 2008 to attend NoaNet on October 8, 2008. NoaNet was able to secure a \$1.5 million loan with member guarantors. Work on the redundant fiber optic route should be completed within the next month.

The next regularly scheduled Board Meeting will take place Tuesday, October 28, 2008 in the Okanogan PUD auditorium beginning at 1:30 p.m.

IV. Executive Session

The regular meeting was recessed and reconvened into executive session at 3:05 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 fifteen minutes, with no action anticipated.

At 3:20 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 3:20 p.m.

Ernest J. Bolz, President

Trish Butler, Vice-President

ATTEST:

David Womack, Secretary