

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
November 18, 2008
12:30 PM**

Present: Board: Ernest Bolz, Trish Butler, David Womack
Staff: John Grubich, Doug Adams, Don Coppock, Ron Gadeberg, Steve Brown, John MacDonald, Debra Peters, Rene Scott
Attorney: Michael Howe
Public: Sharon Bolz; Sheila Corson, The Chronicle

Summary Agenda

- I. Budget Workshop – Wholesale Telecommunications and Energy Conservation, 12:30 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 11-4-08
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - a) 2009 Budget Hearing
 - 5. New Business
 - a) Entrix Contract Amendment
 - 6. Manager’s Report
 - 7. Other Business
 - 8. Future Planning
 - 9. Meetings
- IV. Executive Session
- V. Adjournment

I. Budget Workshop – Wholesale Telecommunications and Energy Conservation

A workshop was held for the purpose of discussing Telecom Expenditures and Energy Conservation Expenditures. Wholesale Telecommunications Manager Ron Gadeberg and Network Engineer John MacDonald presented detail regarding the Wholesale Telecommunications projected 2009 Budget. Manager of Operations Doug Adams introduced discussion, and Debra Peters and Steve Brown presented detail on the Energy Conservation projected 2009 Budget.

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:

General Manager John Grubich requested the addition of **New Business** item **b) Bonneville Power Administration (BPA) Contract.**

Commissioner Bolz indicated he would like to hear discussion regarding the Residential Exchange Fund. General Manager John Grubich informed the Commissioners that the District has received two wire transfers totaling \$2,090,380.00 from the Residential Exchange Fund. Further discussion will be delayed to next meeting, November 25th.

Commissioner Bolz noted a brief Executive Session would occur for the purpose of discussing legal matters.

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

2. Approval of Consent Agenda Items:

a) Minutes:

Minutes of the November 4, 2008 regular meeting were submitted for approval.

b) Vouchers:

Vouchers in the amount of \$782,164.30 were submitted for approval.

c) Transfers of Accounts:

Account transfers in the amount of \$3,193.71 were submitted for approval.

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

3. Public Comment:

No Public Comments were offered.

4. Unfinished Business:

a) 2009 Budget Hearing

Commissioner Bolz recommenced the Budget Hearing at 1:37 p.m. There was no further discussion regarding Telecommunications and Energy Conservation budgets.

Discussion regarding new positions listed in the Projected 2009 Budget and the Residential Exchange Fund will take place next Board meeting, November 25, 2008. Discussion of Power Supply and Revenues is planned for the December 2nd meeting of the Board.

5. New Business:

a) Entrix Contract Amendment

Manager of Operations Doug Adams presented information regarding an amendment to the Entrix contract for \$240,743.00 in additional funding for 2008. The District received comments from the Federal Energy Regulatory Commission (FERC) pertaining to the District's final application for the Enloe Project. Entrix will assist the District in preparing responses to FERC comments.

b) BPA Contact

General Manager John Grubich introduced discussion regarding the Power Sales Agreement offered by BPA. He indicated that staff, general counsel and the law firm of Ater Wynne were reviewing the contract documents. Mr. Grubich reviewed the strengths and weaknesses of the Power Sales Agreement from Okanogan PUD's perspective. Copies of the Power Sales Agreement were provided to the Commissioners. Mr. Grubich reminded the Commissioners that the Power Sales Agreement must be signed by December 1, 2008.

6. Manager's Report:

General Manager John Grubich informed the Commissioners that he will be signing a contract with Western Electricity Coordinating Council for \$1,500.00 per year for the purpose of registering our green tags.

General Manager Grubich will be signing a contract in the amount of \$2,943.00 with AmeriBen to provide support services for Human Resources.

General Manager Grubich signed a contract with Qwest for board band services. The contract is a one (1) year contract for \$60,000 per year and will provide a redundant route for Telecom customers.

Mr. Grubich reported that the PUD will have a line truck in the Community Christmas Parade in Omak on December 6th.

Power Resource Manager Ron Gadeberg noted October wholesale power sales were under budget and September retail power sales were above budgeted projections. Year-to-date power revenues continue to exceed 2008 budget projections by over \$2 million.

7. Other Business:

No other business was presented.

8. Future Planning:

No Future Planning was presented.

9. Meetings:

Commissioner Butler attended a legislative meeting of Public Utility Districts and Washington State Legislators on Monday, November 10th, in Colville, and the PURMS Executive Committee meeting on November 12th followed by the Annual PURMS Meeting on November 13th, in Burien.

Commissioner Womack met with USKH Architects on Tuesday, November 11th in Okanogan.

Commissioner Bolz attended the legislative meeting of Public Utility Districts and Washington State Legislators in Colville on November 10th, met with USKH Architects on November 11th, in Okanogan, and attended NoaNet on November 12th, in Seattle.

Commissioner Bolz will be attending WPUDA on November 19th in Kelso.

The next regularly scheduled Board Meeting will take place Tuesday, November 25, 2008 in the Okanogan PUD auditorium beginning at 1:30 p.m.

IV. Executive Session

The Regular Meeting was recessed at 2:25 p.m. and reconvened into Executive Session at 2:30 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 15 minutes, with no action anticipated. At 2:45 p.m. the Executive Session was recessed and the Regular Session resumed.

V. Adjournment:

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

Ernest J. Bolz, President

Trish Butler, Vice-President

ATTEST:

David Womack, Secretary