

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

**Okanogan PUD Auditorium  
1331 2<sup>nd</sup> Avenue North, Okanogan, WA  
November 25, 2008  
12:30 PM**

**Present:** Board: Ernest Bolz, Trish Butler, David Womack  
Staff: John Grubich, Doug Adams, Don Coppock, Ron Gadeberg, Roy  
Schwilke, Rene Scott  
Attorney: Michael Howe  
Public: Sheila Corson, The Chronicle

**Summary Agenda**

- I. Budget Workshop – New Employee Positions and Residential Exchange Fund, 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 11-18-08
    - b) Vouchers
    - c) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
    - a) 2009 Budget Hearing
  - 5. New Business
    - a) Residential Exchange Fund
    - b) Resolution No. 1471 – BPA Power Sales Agreement
  - 6. Manager’s Report
  - 7. Power Report
  - 8. Other Business
  - 9. Future Planning
  - 10. Meetings
- IV. Executive Session
- V. Adjournment

**I. Budget Workshop – New Employee Positions and Residential Exchange Fund**

A workshop was held for the purpose of discussing new Employee Positions included in the projected 2009 Budget and to present information regarding the Residential Exchange Fund. Director of Finance/Auditor Don Coppock presented a Labor Review listing new or previously unfilled positions and information regarding general wage increases or changes in salary ranges.

**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:**

Commissioner Bolz noted that discussion from the workshop would continue during a) **2009 Budget Hearing** under **Unfinished Business**. The Residential Exchange Fund will be discussed under **New Business** as noted in the Agenda.

Commissioner Bolz indicated an Executive Session would occur for one (1) hour for the purpose of discussing legal and personnel matters.

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

**2. Approval of Consent Agenda Items:**

**a) Minutes:**

Minutes of the November 18, 2008 regular meeting were submitted for approval.

**b) Vouchers:**

Vouchers in the amount of \$3,702,439.23 were submitted for approval.

**c) Transfers of Accounts:**

No account transfers 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 1:33 p.m. continuing discussion regarding New Positions included in the 2009 Budget. General Manager John Grubich , Director of Finance/Auditor Don Coppock, Manager of Operations Doug Adams, and Power Resource and Telecom Manager Ron Gadeberg reviewed each new position detailing expectations, qualifications, and necessity to the function of the District.

Commissioner Bolz explained that a motion was acceptable to strike any position from the Proposed Budget prior to its approval. The Budget Hearing was adjourned until the December 2<sup>nd</sup>, 2008 meeting of the Board.

Discussion of Power Supply and Revenues is planned for the December 2<sup>nd</sup> meeting of the Board.

**5. New Business:**

**a) Residential Exchange Fund**

Commissioner Bolz reviewed information he had received at the WPUDA meeting regarding how other PUD's are handling monies received from the Residential Exchange Fund.

General Manager John Grubich reviewed information presented by RW Beck at the October 17<sup>th</sup> Cost of Service Workshop. He discussed the various components of cost that are considered in rate setting and then outlined the complexities of rate design. He explained the difficulties in distributing the Residential Exchange refund to that actual consumers that purchased energy from the District during the time period that BPA was collecting those funds from the District and suggested that the Residential Exchange refund could be used to reduce the amount of a probable rate increase after the Cost of Service study is completed.

Each Commissioner expressed the desire to issue refunds directly to the customer. Extensive discussion took place to weigh different options and reach a determination of the most appropriate and effective way to utilize the funds.

Commissioner Bolz suggested tabling a decision until a later meeting, possibly after the Rate Study has been completed.

**b) Resolution No. 1471 – BPA Power Sales Agreement**

Commissioner Bolz introduced Resolution No. 1471 for the Bonneville Power Administration Power Sales Agreement. Commissioner Womack moved to adopt the Resolution. Commissioner Butler seconded the motion. Following some discussion, Resolution No. 1471 was passed with unanimous approval.

**6. Manager’s Report:**

General Manager John Grubich introduced Right-of-Way Superintendent Roy Schwilke who presented information and statistics on the Tree Trimming project. From March 2006 to November 2008, approximately 90% of the total service area including about half of the transmission line right-of-way has been completed. 9500 trees have been trimmed and 5000 trees removed. Just under \$5000 has been spent on replacement trees, which was lower than anticipated. To date, the cost of the project has cost the District \$1,363,133.00.

The Commissioners commended Mr. Schwilke for his work with the District.

General Manager Grubich informed the Commissioners that he had received a renewal notice for NWPPA dues for 2009. They have increased from \$24,308.00 to \$26,720.00.

**7. Power Report**

No Power Report was presented.

**8. Other Business:**

No other business was presented.

**9. Future Planning:**

No Future Planning was presented.

**10. Meetings:**

Commissioner Bolz attended Washington PUD Association (WPUDA) on November 19<sup>th</sup> through 21st in Kelso.

The next regularly scheduled Board Meeting will take place Tuesday, December 2, 2008 in the Okanogan PUD auditorium beginning at 1:30 p.m.

**IV. Executive Session**

The Regular Meeting was recessed at 3:33 p.m. and reconvened into Executive Session at 3:35 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 one (1) hour, with no action anticipated. At 4:35 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 4:35 p.m.

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Ernest J. Bolz, President

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Trish Butler, Vice-President

ATTEST:

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David Womack, Secretary