

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

Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
December 2, 2008
12:30 PM

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

Summary Agenda

- I. Budget Workshop – Power Supply and Revenues, 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 11-25-08
 - b) Vouchers
 - c) Transfer of Accounts
 3. Public Comment
 4. Unfinished Business
 - a) 2009 Budget Hearing
 - b) Residential Exchange Fund
 5. New Business
 6. Manager's Report
 7. Power Report
 8. Other Business
 9. Future Planning
 10. Meetings
- IV. Executive Session
- V. Adjournment

I. Budget Workshop – Power Supply and Revenues

A workshop was held for the purpose of discussing Power Supply and Revenues. Director of Finance/Auditor Don Coppock presented a 2009 Proposed Budget Revenue Detail for both the electrical and wholesale telecom divisions. Power Resource Manager Ron Gadeberg presented a worksheet of the proposed Power Resource purchase costs for 2009. He projected a 3% load growth rate for 2009. Resources were based on an approximate 90% water year and surplus sales were based on realized market prices over the past 3 years. General Manager John Grubich noted we should have surplus resources based on the assumptions made for 2009. Annual cost for power purchases is projected at \$23.6 million dollars.

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 indicated an Executive Session would occur for 40 minutes for the purpose of discussing personnel matters. No action will be taken.

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

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

a) **Minutes:**

Minutes of the November 25, 2008 regular meeting were submitted for approval.

b) **Vouchers:**

Vouchers in the amount of \$688,149.89 were submitted for approval.

c) **Transfers of Accounts:**

Account transfers in the amount of \$2,837.28 were submitted for approval.

Commissioner Butler moved to approve the Consent Agenda. Commissioner Womack 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. to continue discussion from the workshop regarding Power Supply and Revenue. Various questions were presented to staff by the Commissioners regarding several line items included in the proposed 2009 Budget.

Commissioner Bolz requested that staff prepare a revised 2009 Budget for review prior to adoption. The Commissioners agreed to cancel the regular meeting on December 9th, 2008.

The Budget Hearing was adjourned until the meeting of the Board on December 16th, 2008. A Resolution for the Adoption of the 2009 Budget is anticipated.

b) **Residential Exchange Fund**

General Manager John Grubich reiterated the difficulties in equitably refunding the residential exchange credit. He suggested that if a refund were to be made, the best possible method may be to process a credit to current bills based on kilowatt hour usage. Director of Finance / Auditor Don Coppock estimated that one cent (\$.01) per kilowatt hour credit over a 4-month period would utilize the entire refund.

Commissioner Womack noted a proposed credit may provide greater economic benefit to individuals facing higher seasonal billings.

Commissioner Butler favored leaving the refund in a Rate Stabilization Fund as a more equitable way of benefiting the customers.

Commissioner Bolz noted that existing reserves have been built on wholesale sales and current rates. He felt the refund belongs to the customers who paid it. He agreed that it should be refunded on a per kilowatt hour basis to the full amount of the refund received by the District.

Commissioner Butler moved that the Residential Exchange refund be added to the Rate Stabilization Fund for the benefit of maintaining future rates. The motion died for lack of a second.

Commissioner Womack moved that staff be directed to define a plan for adoption at the next meeting of the Board to refund the \$2 million Residential Exchange refund as a credit to the customer based upon kilowatt hour usage over a 4-month period. The motion was seconded by

Commissioner Bolz. Upon the vote, the motion carried with two (2) votes in favor and one (1) vote opposed.

5. New Business:

No New Business was presented.

6. Manager’s Report:

General Manager John Grubich informed the Commissioners that the BPA Power Sales Agreement was executed and has been received and acknowledged by Bonneville Power Administration in Spokane.

7. Power Report

Power Resource Manager Ron Gadeberg reviewed November wholesale power sales, which were \$416,000 for November. Wholesale sales remain at \$1.2 million over the original 2008 Budget predictions. Retail sales are almost \$596,000 over budgeted projections.

8. Other Business:

No Other Business was presented.

9. Future Planning:

No Future Planning was presented.

10. Meetings:

No meetings were reported.

Commissioner Bolz noted that all Commissioners, General Manager John Grubich and General Counsel Mick Howe would be in attendance at the Washington PUD Association (WPUDA) Annual Meeting December 3rd to 5th in Seattle.

IV. Executive Session

The Regular Meeting was recessed at 2:48 p.m. and reconvened into Executive Session at 2:50 p.m. to review the performance of a public employee pursuant to RCW 42.30.110 (1) (g).

It was expected the Executive Session would last for forty (40) minutes, with no action anticipated. At 3:30 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 3:30 p.m.

Ernest J. Bolz, President

ATTEST:

Trish Butler, Vice-President

David Womack, Secretary