

**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  
April 1, 2008  
12:30 PM**

**Present:** Board: Ernest Bolz, Trish Butler, David Womack  
Staff: John Grubich, Doug Adams, Don Coppock, Ron Gadeberg,  
Mark Pritchard, Steve Brown, Tina DeLap  
Attorney: Michael Howe  
Public: Sheila Corson – The Chronicle  
Jim Oakley – Energy Northwest  
Jim Rowland – The Rowland Company

**Summary Agenda**

- I. Call to Order
- II. Workshop – The Rowland Company – 12:30
- III. Business Meeting – 1:30 p.m.
  - 1. Approval of Agenda
  - 2. Approval of Consent Agenda
    - a) Minutes of 3-18-08
    - b) Vouchers
    - c) Work Orders
    - d) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
  - 5. New Business
    - a) Bid No. 347-08 Award – Steel Truss Wood Pole Restoration
    - b) Bid No. 348-08 Award – Bridge Crane for Mechanic Shop
    - c) Warehouse Roof Replacement
    - d) Professional Service Agreement - R.W. Beck
  - 6. Manager's Report
  - 7. Other Business
  - 8. Future Planning
  - 9. Meetings
- IV. Executive Session
- V. Adjournment

**I. Call to Order – Pledge of Allegiance**

President Bolz called the meeting to order at 12:30 p.m., and immediately convened into the workshop session.

**II. Workshop – The Rowland Company – 12:30**

District lobbyist James Rowland provided a summary of issues discussed this legislative session, and issues expected to be addressed at the next legislative session.

**III. Business Meeting – 1:30 p.m.**

President Bolz called the Business Meeting to order at 1:30 p.m. The Pledge of Allegiance was led by Manager of Operations Doug Adams.

**1. Approval of Agenda**

The Following items were added to the Agenda under item **5.) New Business:**

- e.) DOE Grant - Scope of Work
- f.) CRC Conservation Agreement - Custom Apple Packers

- g.) CRC Conservation Agreement - King Blossom Natural
- h.) NoaNet Request for Loan Assistance

Commissioner Womack moved to approve the agenda as amended. Commissioner Butler seconded the motion, which passed unanimously.

**2. Approval of Consent Agenda**

**a) Minutes of 3-18-08**

Minutes of the March 18, 2008 Board meeting were submitted for approval.

**b) Vouchers**

Vouchers in the amount of \$2,988,177.97 were submitted for approval.

**c) Work Orders**

Work orders in the amount of \$165,890.00 were submitted for approval.

**d) Transfer of Accounts**

Transfers of accounts in the amount of \$390.96 were submitted for approval.

Commissioner Butler moved to approve the Consent Agenda. Commissioner Womack seconded the motion. Upon the vote, the motion passed unanimously.

**3. Public Comment**

Jim Oakley, member relations coordinator for Energy Northwest, updated the Board on current Energy Northwest projects and facilities.

**4. Unfinished Business**

No Unfinished Business items were presented.

**5. New Business**

**a) Bid No. 347-08 Award – Steel Truss Wood Pole Restoration**

Manager of Operations Doug Adams presented Bid No. 347-08 for Steel Truss Wood Pole Restoration, also known as pole stubbing. This process requires banding a supportive steel truss next to a pole that is exhibiting initial signs of decay or shell rot. The lifespan of a pole is significantly lengthened, at a fraction of the cost to replace it.

Staff recommended awarding the 2008 pole restoration bid to Osmose in an amount not to exceed \$200,000.00.

Commissioner Butler moved to award Bid No. 347-08 for Steel Truss Wood Pole Restoration to OSMOSE, for an amount not to exceed \$200,000.00 in 2008. Commissioner Womack seconded the motion, which received unanimous approval.

**b) Bid No. 348-08 Award – Bridge Crane for Mechanic Shop**

Construction Superintendent Mark Pritchard presented Bid No. 348-08 for a bridge crane budgeted for \$85,000.00 in 2008. Staff recommended awarding the bid to Professional Crane Inspections, the only qualifying bidder.

Commissioner Butler moved to award Bid No. 348-08 to Professional Crane Inspections for the purchase of a 7.5 ton bridge crane, in an amount not to exceed \$74,880.00 plus tax. Commissioner Womack seconded the motion, which carried unanimously.

**c) Warehouse Roof Replacement**

The 2008 budget included \$91,800.00 for warehouse roof replacement. The roofing membrane is a petroleum based product, so material costs have increased. M. Vail of Wenatchee provided the

lowest estimate, at \$95,025.96 plus a performance bond and building permit, estimated to not exceed \$96,200.00. Staff recommended awarding the job to M. Vail.

Commissioner Butler moved to award replacement of the Okanogan PUD warehouse roof to M. Vail in an amount not to exceed \$96,200.00, and authorize the corresponding budget increase of \$4,400.00. Commissioner Womack seconded the motion, which received unanimous approval.

**d) Professional Service Agreement – R.W. Beck**

Manager John Grubich recommended R.W. Beck’s proposal to complete a Cost of Service Analysis (COSA) and financial studies in an amount not to exceed \$100,000.00 (budgeted in 2008 for \$250,000.00).

Commissioner Butler moved to authorize the Manager to enter into a Professional Service Agreement with R.W. Beck for Cost of Service Analysis and financial studies in an amount not to exceed \$100,000.00. Commissioner Womack seconded the motion, which carried unanimously.

**e) Department of Ecology Grant – Scope of Work**

The Department of Ecology granted the District \$200,000.00 for Similkameen River/Shanker’s Bend project studies. Staff recommended signing the Scope of Work to receive grant funds.

Commissioner Womack moved to approve the DOE Scope of Work. Commissioner Butler seconded the motion, which received unanimous approval.

**f) CRC Conservation Agreement – Custom Apple Packers**

Energy Services Coordinator Steve Brown presented a Conservation Rate Credit (CRC) proposal with Custom Apple Packers in Brewster to upgrade existing Controlled Atmosphere (CA) storage facilities. Energy savings from the upgrades are estimated to exceed 967,000 kilowatt hours per year.

Commissioner Butler moved to authorize the manager to enter into a CRC Conservation Agreement with Custom Apple Packers. Commissioner Womack seconded the motion, which carried with unanimous approval.

**g) CRC Conservation Agreement - King Blossom Natural**

Energy Services Coordinator Steve Brown presented a CRC Conservation Agreement with King Blossom Natural for upgrades to their controlled atmosphere and storage facilities in Brewster. Energy savings are expected to exceed 527,000 kilowatt hours per year.

Commissioner Womack moved to authorize the manager to enter into a CRC Conservation Agreement with King Blossom Natural, LLC. Commissioner Butler seconded the motion. Upon the vote, the motion received unanimous approval.

**h) NoaNet Request for Loan Assistance**

NoaNet is requesting possible funding or lending guarantees from its members. Commissioner Bolz received the request, and forwarded it to Board members March 31, 2008. This item will be tabled until the next Board meeting to allow Commissioners additional time to review the materials presented.

**6. Manager’s Report**

Manager Grubich reported on Strategic Planning March 28-30, 2008 in Leavenworth. Staff and Commissioners found the meetings beneficial, and expressed a desire for them to continue on an annual basis.

Director of Finance/Auditor Don Coppock reported on challenges faced during recent software upgrades. NISC staff will be on site this week to assist with month-end processes and reporting.

Manager Grubich noted BPA Residential Exchange Agreement payments are scheduled to be disbursed within the next fourteen days, and will be kept in a separate investment account until the Residential Exchange case is settled.

Grubich reported Human Resources activities are progressing on schedule, with individual position evaluations completed.

An Assistant Superintendent position has been advertised internally and will close April 4, 2008.

A limited assignment Meter Reader position will be posted internally for ten days. If no qualified applications are received, the position will then be advertised externally.

**7. Other Business**

No Other Business items were presented.

**8. Future Planning**

Items discussed during Strategic Planning will be summarized and presented at a later meeting.

**9. Meetings**

Commissioner Butler traveled to Olympia on March 18, 2008 to attend WPUDA meetings March 19-20, 2008. Butler also attended the WPUDA Public Power & Water Tour with congressional delegates March 26-27, 2008 in Leavenworth, and Strategic Planning in Leavenworth March 28-30, 2008.

Commissioner Womack traveled to Olympia on March 18, 2008 to attend a WPUDA Commissioner Education Program on March 19, 2008, a WPUDA Roundtable Meeting March 20, 2008 and a WPUDA Board Meeting March 21, 2008. Womack also attended a Strategic Planning session in Leavenworth March 28-30, 2008.

Commissioner Bolz traveled and attended a WPUDA Commissioner Education Program on March 19, 2008 and a Telecom Committee meeting March 20, 2008. Bolz also attended Strategic Planning in Leavenworth March 28-30, 2008.

The next regularly scheduled Board Meeting will be held Tuesday, April 15, 2008 at 1:30 p.m. in the Okanogan PUD auditorium.

**IV. Executive Session**

The regular meeting was recessed at 2:50 p.m. and reconvened into Executive Session 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 3:05 p.m. the executive session was recessed with no public announcement.

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V. Adjournment**

There being no further business to discuss, the meeting was adjourned at 3:05 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