

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
July 15, 2008
12:30 PM**

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

Summary Agenda

- I. Telecom Business Plan Workshop - 12:30
- II. Call to Order
- III. Business Meeting – 1:30 p.m.
 - 1. Approval of Agenda
 - 2. Approval of Consent Agenda
 - a) Minutes of 7-1-08
 - b) Vouchers
 - c) Work Orders
 - d) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) Jim Oakley, Energy Northwest Member Services
 - b) Resolution No. 1463 – Delegation of Authority
 - c) Resolution No. 1464 – Salary Pay Grade Schedules
 - d) Resolution No. 1465 – Approving Annexation for Election to Voters
 - 6. Manager’s Report
 - 7. Other Business
 - 8. Future Planning
 - 9. Meetings
- IV. Executive Session
- V. Adjournment

I. Workshop – Telecom Business Plan, 12:30 p.m.

Manager John Grubich reviewed the District’s previous Telecom Business Report, and Power Resource Manager Ron Gadeberg summarized current Telecom activities for the Board. Telecom Network Engineer J.J. Boettger explained technical aspects of the District’s fiber and wireless system installations.

II. Call to Order – Pledge of Allegiance

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

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

1. Approval of Agenda:

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 July 1, 2008 regular meeting were submitted for approval.

b) Vouchers:

Vouchers in the amount of \$437,602.99 were submitted for approval.

c) Work Orders:

Engineering work orders in the amount of \$77,620.00 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:

Shawn Messenger of the Okanogan County Sheriff’s Office thanked PUD crews and staff for their assistance with the recent fires in Okanogan. Messenger noted District crews were on the job promptly and worked tirelessly through the night.

4. Unfinished Business:

No Unfinished Business items were presented.

5. New Business:

a) Jim Oakley - Energy Northwest Member Services

Jim Oakley, Member Services Representative at Energy Northwest, presented an update on their potential wind farm, Radar Ridge. Initial tests show excellent capacity factors. The project, located near the Long Beach peninsula in Washington State, has the potential to produce up to 82 megawatts of power.

Oakley also reported that Energy Northwest’s Columbia Generation facility has achieved 346 days of continuous operation.

Energy Northwest’s plans for a Petcoke generation facility have been suspended as a result of carbon emission issues. The property will be retained in the event it could be used for alternative generation in the future.

b) Resolution No. 1463 – Delegation of Authority

Legal Counsel Michael Howe presented Resolution No. 1463 delegating authority for routine business operations to the General Manager. The Resolution allows the Manager to implement emergency measures in the event of unforeseen circumstances, and to authorize items previously approved by the Board through the budget process.

Commissioner Womack moved to approve Resolution No. 1463. Commissioner Butler seconded the motion to allow discussion of the Resolution. It was unanimously decided to table this item for further discussion at a later meeting.

c) Resolution No. 1464 – Salary Pay Grade Schedule

Manager John Grubich presented the results of a salary survey compiled by District staff and Winston Tan of Cooperative Benefits and Financial Services (CBFS). The survey provided a benchmark of salary trends in the utility industry in relation to District wages.

Commissioner Butler moved to approve Resolution 1464 establishing a Salary Pay Grade Schedule for District employees. Commissioner Womack seconded the motion. The motion passed with unanimous approval.

d) Resolution No. 1465 – Approving Annexation for Election to Voters

Ferry County PUD has approved a resolution to annex customers residing in Okanogan County who receive their power from Ferry County PUD into their service territory. Upon approval of the resolution by both utilities, the matter will be added to Ferry County’s general election ballot.

Commissioner Butler moved to approve Resolution No. 1465 Approving Annexation for Election to Voters. Commissioner Womack seconded the motion, which received unanimous approval.

6. Manager’s Report:

Manager of Operations Doug Adams notified the Board of a Conditional Use Permit hearing August 19, 2008 in the County Commissioners’ Hearing Room regarding the Pateros to Twisp transmission line. Adams also reported on a series of outages caused by high winds on July 10th, affecting approximately 1,500 customers. Crews worked nonstop from Thursday morning until Friday evening to restore power and repair damages.

Manager John Grubich commended PUD crews and staff from all departments for their dedication, noting crews worked long hours in strenuous conditions during the recent outages. Grubich also commended Duke Excavation, Tollefson Construction and Sherlock Construction for providing water trucks, heavy equipment and operators to help District crews access, protect and repair poles and lines.

Manager of Operations Doug Adams commended Hawkeye Construction for their assistance to Nespelem Co-Op. During the height of the outages Nespelem Co-Op requested assistance from Okanogan PUD crews. Since District crews were all deployed to outages in Okanogan, Hawkeye volunteered one of their crews to assist.

Power Resource Manager Ron Gadeberg presented a brief update of Power market trends and costs.

7. Other Business:

No Other Business items were presented.

8. Future Planning:

A Conservation Workshop will be held from 12:30 to 1:30 pm in conjunction with the August 26, 2008 Board Meeting.

9. Meetings:

Commissioner Bolz traveled Tuesday, July 8th to attend a NoaNet meeting on Wednesday, July 9, 2008.

The next regularly scheduled Board Meeting will take place August 5, 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 2:40 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 twenty minutes, with no action anticipated.

At 3:00 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 3:00 p.m.

Ernest J. Bolz, President

Trish Butler, Vice-President

ATTEST:

David Womack, Secretary