

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County
Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
February 3, 2009
12:00 PM**

Present: Board: Trish Butler, David Womack, Ernest Bolz
Staff: John Grubich, Doug Adams, Don Coppock,
Tina DeLap, Fred Burke, Janet Crossland,
Jerry Day, Janet Funston, Derek Miller,
Megan Morrissey, Julie Pyper, René Scott,
Legal: Michael Howe
Public: Richard Cuthbert, Timothy Baars - R.W. Beck
Sheila Corson, The Chronicle

Summary Agenda

- I. R.W. Beck Cost of Service Study Workshop, 12:00 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 1-20-09
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) NoaNet
 - 6. Manager’s Report
 - 7. Other Business
 - 8. Future Planning
 - 9. Meetings
- IV. Executive Session
- V. Adjournment

I. Workshop - R.W. Beck Cost of Service Study

Richard Cuthbert and Timothy Baars of R.W. Beck presented an overview of the Cost of Service Study.

II. Call to Order – Pledge of Allegiance

President Butler 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 Butler noted that discussion of the a) **R.W. Beck Cost of Service study** would be continued from the workshop under **New Business**.

General Manager Grubich noted there would be an Executive Session for discussion of legal matters and to review the performance of a public employee, for one hour and 30 minutes, with no action required.

Commissioner Bolz moved to approve the agenda as amended. Commissioner Womack seconded the motion, which received unanimous approval.

2. Approval of Consent Agenda Items:

a) Minutes:

Minutes of the January 20, 2009 regular meeting were submitted for approval.

b) Vouchers:

Vouchers in the amount of \$3,497,847.45 were submitted for approval.

c) Transfers of Accounts:

No account transfers were submitted for approval.

Commissioner Bolz moved to approve the consent agenda. Commissioner Womack seconded the motion. Upon the vote, the motion carried unanimously.

3. Public Comment:

No Public Comments were offered.

4. Unfinished Business:

No unfinished business items were submitted

5. New Business:

a) R. W. Beck Cost of Service Study

The presentation and discussion of the R.W. Beck Cost of Service Study was continued from the workshop.

b) NoaNet

Commissioner Bolz presented information regarding possible NoaNet funding strategies for 2009. During 2008, NoaNet’s operating revenue paid over \$500,000 of their long-term bond debt. NoaNet’s 2009 budget allocated \$1.5 million toward payment of the debt. However, it is proposed that the \$1.5 million be reallocated to enable NoaNet to do its own capital funding for potential new projects without going back to members for funding support. NoaNet members would continue to pay on the long-term bond obligation through 2009.

Commissioner Bolz asked if the Commission would support the present action. After some discussion, he summarized that more information is necessary regarding the intended use of the funds.

6. Manager’s Report:

General Manager John Grubich requested an update from Manager of Operations Doug Adams regarding the Conconully line and the AMI Smart Metering System.

Manager of Operations Adams reported the District had been working on a project to upgrade the line to Conconully over that past few months. The District had scheduled a short outage, which was occurring during the Board meeting, to energize the new line.

Proposals have been received for an AMI Smart Metering System. Staff is reviewing proposals with the expectation of presenting a preferred vendor, or possibly multiple vendors, to the Board of Commissioners at next meeting, February 17, 2009. Manager of Operations Adams noted that a workshop is anticipated for the Board meeting of March 3rd to bring in a vendor to give a demonstration of the AMI system, with the expectation of requesting approval of the Board for the General Manager to enter into a contract.

General Manager Grubich noted staff will be meeting with Richard Cuthbert and Timothy Baars of R.W. Beck Wednesday morning, February 4, 2009, to begin evaluating the requirements for an equity management plan.

Nathan Kruse has been hired as a new meter reader to fill the vacant Limited Assignment position.

7. Other Business:

Commissioner Womack asked about the possibility of a weather comparison on the bills for a particular billing cycle. There were several complications with this possibility, so it is not being used at this time.

8. Future Planning:

General Manager Grubich reiterated a workshop would potentially be held on March 3rd for a presentation on the AMI Smart Metering System.

9. Meetings:

Commissioner Womack attended the Energy Northwest Board Meeting in Kennewick on January 21st and returned on January 22nd. New officers were elected.

The next regularly scheduled Board meeting will take place February 17, 2009 beginning at 1:30 p.m.

IV. Executive Session:

The regular meeting was recessed at 3:03 p.m. and reconvened into executive session at 3:08 p.m. to review the performance of a public employee pursuant to RCW 42.30.110 (1) 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 approximately one hour and 30 minutes, with no action anticipated.

At 4:38 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 4:38 p.m.

Trish Butler, President

David Womack, Vice-President

ATTEST:

Ernest Bolz, Secretary