

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

Present: Board: Trish Butler, David Womack, Ernest Bolz
Staff: John Grubich, Doug Adams, Don Coppock, Jerry Day,
Tina DeLap, Debbie Dibble, Ron Gadeberg, Kathy Gordon,
Eric Judd, Derek Miller, Mindy Morris, Mark Pritchard,
John Puhl, Dan Simpson, Mark Watson
Legal: Michael Howe
Public: Sheila Corson, The Chronicle
Workshop: Mike Crumbaker and Denny Evans, General Pacific
Jess Bromley, Aclara PLS

Summary Agenda

- I. Automated Metering Infrastructure (AMI) 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 2-17-09
 - b) Vouchers
 - c) Transfer of Accounts
 3. Public Comment
 4. Unfinished Business
 5. New Business
 - a) Resolution No. 1480 – Surplus Equipment
 6. Manager’s Report
 7. Power Report
 8. Other Business
 9. Future Planning
 10. Meetings
- IV. Executive Session
- V. Adjournment

I. Automated Metering Infrastructure (AMI) Workshop – 12:00 p.m.

Manager of Operations Doug Adams presented background information on Automated Metering Infrastructure (AMI). Mike Crumbaker and Denny Evans of General Pacific introduced Jess Bromley of Aclara, who gave a presentation on AMI products and the benefits of this technology.

II. Call to Order

Commission President Trish Butler called the Regular meeting to order at 1:30 p.m. and led the Pledge of Allegiance.

III. Business Meeting

1. Approval of Agenda:

Commissioner Butler noted a one hour Executive Session would be held for the purpose of reviewing employment of a public employee, with no action anticipated.

Manager John Grubich requested the removal of **New Business** agenda item a) Resolution No. 1480 to allow further research of items listed as surplus.

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 February 17, 2009 regular meeting were submitted for approval.

b) Vouchers:

Vouchers in the amount of \$1,428,005.26 were submitted for approval.

c) Transfers of Accounts:

No transfers of accounts were submitted for approval.

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

3. Public Comment:

No public comments were offered.

4. Unfinished Business:

A review of information presented during the Manager's Report at the February 17th Board Meeting occurred. Staff was commended for their efforts in securing the Network 360 contract.

5. New Business:

No new business items were presented.

6. Manager's Report:

Manager John Grubich reported on the following items:

- Two contracts have been signed with Christensen & Associates for services related to the Enloe Dam Hydroelectric Project. The first contract, in an amount not to exceed \$95,000, is for FERC licensing support services. The second contract, for \$86,136.15, covers Enloe Dam structural failure analyses.
- A one-year contract has been signed with NoaNet for 10 megabytes of internet service at a cost of \$14,160.00 per year. This contract renewal reflects NoaNet's updated, lower rate schedule.
- Bids for computer server upgrades have been reviewed. Staff anticipates executing a contract with Ivoxy Consulting, LLC for installation and configuration of a virtual server network infrastructure in the near future.
- Staff Meetings and Strategic Planning will be held in Leavenworth March 27 – 29, 2009.
- Gary Connor of USKH Architects will be onsite Monday, March 9, 2009. Commissioners are invited to meet with him if they have questions or concerns regarding the new headquarters building proposal.
- Energy Services Coordinator Steve Brown has been appointed to serve on BPA's Conservation Committee for a 3-year term.

- Legal Counsel Mick Howe noted the Okanogan County Board of Adjustments will review the District's Conditional Use Permit for construction of a new office building on April 8, 2009 beginning at 7:00 p.m. in Council Chambers.

7. Power Report:

Power Resource Manager Ron Gadeberg presented a power resource summary for 2008 and an outlook for 2009.

Wholesale and retail results for 2008 exceeded budgeted estimates by \$1.5 million. A new peak usage of 173 megawatts was set on December 20, 2008.

In 2009, water shortages decreased the amount of excess power available for the District to sell. Decreased sales and poor market prices caused revenue in February to fall considerably short of budgeted estimates. Water shortages in 2009 will likely cause BPA's rate increase to be higher than the 9.4% originally anticipated.

8. Other Business:

Commissioner Butler received a letter from Chelan PUD requesting support of Dennis Bolz for NWPPA's Board of Directors. A letter was also received from Douglas County PUD requesting support of Lynn Heminger. Commissioners will draft a letter to NWPPA supporting the nominations of both candidates.

Commissioner Bolz expressed an interest in serving on the Energy Northwest Participants' Review Board. Commissioner Bolz will research the nominating process for Energy Northwest. Elections are to be held in conjunction with NWPPA's Annual Meeting in Boise, Idaho this May.

9. Future Planning:

Staff meetings will be held March 26th and 27th, followed by Strategic Planning on the 27th, 28th and 29th.

10. Meetings:

Commissioner Womack attended a WPUA Legislative Committee meeting in Olympia on February 19th and a WPUA Board Meeting in Olympia on February 20th. Senator Rockefeller spoke to the Legislative Committee, seeking support of his Greenhouse Bill. No action to support the bill was taken.

Commissioner Butler attended WPUA Energy, Telecom and Legislative Committee Meetings February 19th and a Board of Directors meeting February 20th in Olympia. BPA staff discussed the use of voltage regulators for improved energy efficiency. The Washington State Department of Labor & Industries (L&I) Deputy Director spoke on a 50% reduction in Inspectors statewide, which will likely cause significant delays in inspections. L&I has added additional staffing in the compliance area to target unlicensed and uncertified contractors. WPUA also noted the importance of aligning independent utility lobbyist activities with the goals of WPUA and the electrical industry.

The next regularly scheduled Board Meeting will be held Tuesday, March 24, 2009 in Okanogan.

IV. Executive Session:

The regular meeting was recessed at 2:35 p.m. and reconvened into executive session at 2:40 p.m. to review the performance of a public employee pursuant to RCW 42.30.110 (1). The executive session was expected to last one hour, with no action anticipated.

At 3:40 p.m. the executive session was recessed and immediately reconvened for an additional 45 minutes. At 4:25 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 4:25 p.m.

Trish Butler, President

David Womack, Vice-President

ATTEST:

Ernest Bolz, Secretary