

**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 24, 2009
12:30 PM**

Present: Board: Trish Butler, David Womack, Ernest Bolz
Staff: John Grubich, Doug Adams, Don Coppock,
Ron Gadeberg, John MacDonald, Janet Crossland,
Mark Watson, Jerry Day (workshop only), Tina DeLap
Legal: Michael Howe
Public: Sheila Corson - The Chronicle
Bill Swayze, Wayne Wisdom - CommunityNet

Summary Agenda

- I. Workshop – USKH Architects, 12:30 p.m.
- II. Call to Order, 1:30 p.m.
- III. Business Meeting
 1. Approval of Agenda
 2. Approval of Consent Agenda
 - a) Minutes of 3-3-09
 - b) Vouchers
 - c) Transfer of Accounts
 3. Public Comment
 4. Unfinished Business
 5. New Business
 - a) Employee Service Award
 - b) Professional Service Agreements – AMI Project
 - c) Resolution No. 1480 – Surplus Equipment
 - d) Resolution No. 1481 – Internet Telecom Rates
 - e) Resolution No. 1482 – DS-1 Telecom Rates
 - f) Resolution No. 1483 – SONET Telecom Rates
 - g) Resolution No. 1484 – Wholesale Wireless Telecom Rates
 - h) Resolution No. 1485 – Authority of Retirement Plan Trustees
 - i) Resolution No. 1486 – Compensation for General Manager
 6. Manager’s Report
 7. Treasurer’s Report
 8. Other Business
 9. Future Planning
 10. Meetings
- IV. Executive Session
- V. Adjournment

I. Workshop – USKH Architects, 12:30 p.m.

Gary Connor of USKH Architects began the workshop with a presentation on pitched roof versus flat roof construction. Connor recommended a flat roof design due to cost and engineering factors.

II. Call to Order

The regular meeting was called to order at 1:30 p.m. by Commission President Trish Butler, followed by the Pledge of Allegiance.

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

1. Approval of Agenda:

General Manager John Grubich requested the removal of **New Business** item **a) Employee Service Award** due to staff unavailability. Grubich also requested the insertion of a **Treasurer’s Report** as Agenda item 7.

Commissioner Butler requested the addition of a five minute Executive Session as **New Business** item a) for the purpose of discussing performance of a public employee, with action anticipated.

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 March 3, 2009 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$1,928,155.68 were submitted for approval.

c) Transfers of Accounts

Transfers of accounts in the amount of \$7,535.81 were submitted for approval.

Reporting formats were discussed. The owner/renter category will be reinstated on future account transfer lists.

Commissioner Bolz moved to approve the consent agenda. Commissioner Womack seconded the motion, which carried with unanimous approval.

3. Public Comment:

No public comments were offered.

4. Unfinished Business:

No unfinished business items were presented.

5. New Business:

a) Executive Session

The regular meeting was recessed at 1:39 p.m. and an Executive Session was convened at 1:40 p.m. to review the performance of a public employee. At 1:45 p.m. the Executive Session ended and the regular business meeting resumed.

Commissioner Butler added Resolution No. 1486 to the agenda as **New Business** item i) for the purpose of fixing compensation for the General Manager.

b) Professional Service Agreements – AMI Metering

Manager of Operations Doug Adams presented bid results for the District’s AMI metering program. Two qualified bids were received for the purchase of meters with AMI modules installed. Staff recommended awarding the bid to HD Supply, the lowest qualified bidder, in an amount not to exceed \$2,958,138.00.

Commissioner Womack moved to accept staff recommendation and enter into a Professional Service Agreement with HD Supply in an amount not to exceed \$2,958,138.00 for AMI meters. Commissioner Bolz seconded the motion, which passed unanimously.

Two qualified bids were received for AMI software and hardware management and training. Both vendors offer comparable products. The lowest bidder does not have installation experience in the northwest. The higher bidder has extensive experience with installations in the northwest. The difference in bid amounts is approximately \$16,000.00. Staff recommended awarding the contract to the higher bidder, General Pacific, due to their experience with AMI metering installations and project management.

Commissioner Bolz moved to approve staff's recommendation and enter into a Professional Service Agreement with General Pacific in an amount not to exceed \$756,662.02 for the installation, management and training on AMI software and hardware. Commissioner Womack seconded the motion. Upon the vote, the motion carried unanimously.

c) **Resolution No. 1480 Declaring Equipment Surplus**

Manager of Operations Doug Adams and Chief Engineer Derek Miller provided background information on a list of surplus equipment to be disposed of. Purchasing Supervisor Mark Watson initiated a project to clean up obsolete or broken items which had accumulated around the District warehouse over the past thirty years.

Commissioner Womack moved to approve Resolution No. 1480 declaring equipment surplus and authorizing its sale or disposal. Commissioner Bolz seconded the motion. Upon the vote, the motion carried unanimously.

d) **Resolution No. 1481 Internet Telecom Rates**

Power Resource / Telecom Manager Ron Gadeberg presented Resolution No. 1481 establishing new internet rates on the District's Telecommunication system. This resolution decreases rates charged to local Internet Service Providers (ISP's).

Commissioner Bolz moved to approve Resolution 1481 establishing new internet rates on the District's telecommunication system effective April 1, 2009. Commissioner Womack seconded the motion, which passed unanimously.

e) **Resolution No. 1482 DS-1 Telecom Rates**

Power Resource / Telecom Manager Ron Gadeberg presented Resolution No. 1482 revising DS-1 (T1) rates on the District's Telecommunication System. District rates have historically been substantially lower than those charged by major carriers. This resolution increases DS-1 (T1) rates to market prices similar to other carriers, while still providing cost effective rates to ISP's.

Commissioner Bolz moved to approve Resolution No. 1482 adopting new DS-1 (T1) rates effective July 1, 2009. Commissioner Womack offered a second to the motion, which carried unanimously.

f) **Resolution No. 1483 SONET Telecom Rates**

Power Resource / Telecom Manager Ron Gadeberg introduced Resolution 1483 to update SONET rates with a new structure based on mileage, effective July 1, 2009.

Commissioner Womack moved to approve Resolution No. 1483 and adopt new SONET rates effective July 1, 2009. Commissioner Bolz seconded the motion. Upon the vote, the motion received unanimous approval.

g) **Resolution No. 1484 Wholesale Wireless Telecom Rates**

Power Resource / Telecom Manager Ron Gadeberg presented Resolution No. 1484 supplementing and amending wholesale wireless telecom rates. The new rate structure provides for a reasonable timeframe for equipment paybacks and promotes efficiency on the District's fiber network.

Commissioner Bolz moved to approve Resolution No. 1484 supplementing and amending wholesale wireless rates on the District's telecommunication system effective July 1, 2009. Commissioner Womack seconded the motion, which carried unanimously.

h) Resolution No. 1485 Establishing Authority of Retirement Plan Trustees

Director of Finance / Auditor Don Coppock presented Resolution No. 1485 appointing trustees authorized to transfer funds out of retirement plans previously administered by Corporate Gold Benefits and invested in Protective Life Insurance funds and AIG/SunAmerica funds.

Commissioner Womack moved to adopt Resolution No. 1485 Establishing Authority of 401(a) and 457(b) Retirement Plan Trustees to authorize and execute any and all documents necessary for the surrender, disbursement or transfer of assets from Protective Life and AIG/SunAmerica accounts. Commissioner Bolz offered a second to the motion, which carried unanimously.

i) Resolution No. 1486 Fixing Compensation for General Manager

Commissioner Bolz moved to approve Resolution No. 1486 affixing the compensation of the General Manager and approving the employment agreement for John Grubich, General Manager, effective April 1, 2009. Commissioner Womack seconded the motion. Upon the vote, the motion carried with unanimous approval.

Commissioners expressed appreciation to Grubich for his leadership and direction over the past year.

6. Manager's Report:

General Manager John Grubich and Douglas PUD Manager Bill Dobbins are organizing a trip to Wells Dam for Commissioners & interested staff.

General Manager Grubich updated the Commissioners on the current status of Senate Bill 5840 Amending I-937 Climate Change Initiatives. Senator McCoy will be holding a Committee Meeting on SB-5840 Wednesday, March 25, 2009.

Commissioners and Management staff are encouraged to make room reservations if they are interested in attending the APPA Annual Conference June 13 – 17, 2009 in Salt Lake City, Utah or the NWPPA Annual Conference and Membership Meeting May 17 – 21, 2009 in Boise, Idaho.

The APPA CEO Roundtable was held in Scottsdale, Arizona March 15 – 17, 2009. The event provided a beneficial forum to discuss many current power issues including federal legislation, climate change and employment compensation. Representatives from Vanguard Funds and Brookshire Hathaway presented material on issuing tax exempt bonds.

7. Treasurer's Report:

District Treasurer Janet Crossland presented the District's Cash Report for February, 2009. Lower secondary and wholesale power sales and posting of BPA residential exchange credits have resulted in downward cash trends. Interest rates on investments continue to diminish.

Commissioners expressed appreciation to Crossland for presenting the Treasurer's Report in person and clarifying figures.

8. Other Business:

No other business items were presented.

9. Future Planning:

No future planning items were presented.

10. Meetings:

Commissioner Bolz attended WPUDA Telecom Committee and Energy Committee meetings in Olympia March 19 – 20, 2009. Bolz also traveled March 10, 2009 to attend a NoaNet meeting in Seattle on March 11, 2009.

Commissioner Womack attended WPUDA Legislative committee meetings in Olympia on March 5 – 6 and March 19 – 20, 2009. Womack also met with District staff and USKH Architects in Okanogan on March 9, 2009.

Commissioner Butler attended WPUA Telecom Committee and Energy Committee meetings in Olympia March 18 – 19, 2009 and a WPUDA Board of Director’s meeting March 20, 2009.

IV. Adjournment:

There being no further business to discuss, the meeting was adjourned at 2:55 p.m.

Trish Butler, President

David Womack, Vice-President

ATTEST:

Ernest Bolz, Secretary