

**Minutes of the 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 28, 2009  
1:30 PM

**Present:** Board: Trish Butler, David Womack, Ernest Bolz  
Staff: John Grubich, Don Coppock, Ron Gadeberg,  
John MacDonald, Janet Crossland, Tina DeLap  
Legal: Michael Howe  
Public: Sheila Corson - The Chronicle  
Bill Swayze, Wayne Wisdom - CommunityNet

**Summary Agenda**

- I. Call to Order, 1:30 p.m.
- II. Business Meeting
  - 1. Approval of Agenda
  - 2. Approval of Consent Agenda
    - a) Minutes of 4-14-09
    - b) Vouchers
    - c) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
  - 5. New Business
    - a) NoaNet – Greg Marney
    - b) Energy Northwest Participant Review Board Nomination
    - c) CommunityNet
  - 6. Manager's Report
  - 7. Treasurer's Report
  - 8. Other Business
  - 9. Future Planning
    - a) Future Board Meeting Schedule
  - 10. Meetings
- III. Executive Session
- IV. Adjournment

**I. Call to Order**

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

**II. Business Meeting, 1:30 p.m.**

**1. Approval of Agenda:**

Commissioner Womack moved to approve the Agenda as presented. Commissioner Bolz seconded the motion, which carried unanimously.

**2. Approval of Consent Agenda Items:**

**a) Minutes**

Minutes of the April 14, 2009 regular meeting were submitted for approval.

**b) Vouchers**

Vouchers in the amount of \$536,612.19 were submitted for approval.

c) **Transfers of Accounts**

A transfer of accounts in the amount of \$1,380.03 was submitted for approval.

Commissioner Bolz moved to approve the consent agenda as presented. Commissioner Womack seconded the motion, which carried unanimously.

3. **Public Comment:**

No public comments were offered.

4. **Unfinished Business:**

No unfinished business items were presented.

5. **New Business:**

a) **NoaNet – Greg Marney**

Greg Marney and Dave Spencer of NoaNet summarized the company's history and purpose. The Board noted their support of open access internet, but expressed concerns over NoaNet's financial stability and operating practices.

Marney and Spencer answered questions pertaining to NoaNet's request for its members to guarantee a \$1.5 million loan. The term of the loan would be five years, with a variable interest rate set at LIBOR plus 200 basis points (100 basis points equals one percent), making the estimated rate 2.75%.

Loan guarantee paperwork is due by May 13, 2009 to avoid automatic expulsion from NoaNet.

b) **Energy Northwest Participant Review Board Nominations**

Energy Northwest requested that all members designate a Participant Review Board election representative. General Manager John Grubich will formalize the designation of Commissioner Trish Butler as Primary Utility Representative and Commissioner Ernest Bolz as Alternate Utility Representative.

c) **CommunityNet**

After receiving questions from the public and a letter from CommunityNet, Commissioners questioned staff on recent Telecom rate changes. The Board understood rates would be decreased to most internet service providers, however a letter CommunityNet sent to their customers stated, in part, "We have recently received a price increase from the PUD that necessitates an adjustment in rates... We apologize for needing to pass along an increase in rates at a time when everyone is having to tighten their belts." General Manager John Grubich confirmed that recent Telecom rate changes would result in a reduction in charges to CommunityNet.

Bill Swayze of CommunityNet requested the postponement of this discussion until Roger Bauer of Okanogan Behavioral Health Care (OBHC) could attend. CommunityNet is a subsidiary of OBHC.

Commissioners agreed to table the discussion until the May 5, 2009 Board Meeting to accommodate Mr. Bauer's schedule.

6. **Manager's Report:**

General Manager John Grubich updated the Board on the following items:

- Staff is currently compiling statistics for the annual NWPPA source book.
- A mandatory General Contractor's meeting will be held May 7, 2009 at 1:00 p.m. in the PUD auditorium for contractors interested in bidding on construction of the District's new headquarters facility.

- Sealed bids for the District's headquarters building will be accepted until 2:00 p.m. May 19, 2009, at which time they will be publicly opened in the PUD auditorium.
- USKH contract amendments are being drafted to include additional charges for landscaping design and repositioning of the server room.
- The Colville Confederated Tribe (CCT) continues to be a significant influence during FERC licensing with their support of non-fish passage at Enloe Dam.
- Dan Brudevold of CCT noted housing starts have decreased dramatically, signaling a slow economic recovery.

Director of Finance / Auditor Don Coppock updated the Board on the following issues:

- Residential Exchange Credits (REC's) posted to customer accounts through March 31, 2009 have exceeded \$1.2 million and are on target to meet the amount of refund set by the Board.
- First quarter 2009 retail kilowatt hour (kwh) sales were up approximately 1% over retail kwh sales in first quarter 2008, even though CIPV power usage was down 59% during the same time frame. Revenues from first quarter retail sales in 2009 were 10.8% lower than first quarter 2008, largely due to Residential Exchange Credits refunded during first quarter 2009.
- The District's Annual Report was submitted to the Washington State Auditor's Office last week.

#### 7. Treasurer's Report

District Treasurer Janet Crossland presented the Treasurer's Report for April 1, 2009. Cash on hand continued to decrease in March, bringing the first quarter 2009 total cash reduction to just over \$2 million. This decrease is attributed to the cumulative effects of Residential Exchange Credits to customers, reduced interest income and decreased wholesale power sales.

Staff is monitoring the cash flow situation and will keep the Board updated if budget adjustments become necessary.

#### 8. Other Business:

No other business items were presented.

#### 9. Future Planning:

##### a) Future Board Meeting Schedule

The following Board meetings were scheduled for the remainder of 2009:

July 14th and 28th; August 4<sup>th</sup> and 18<sup>th</sup>; September 1<sup>st</sup> and 22<sup>nd</sup>; October 6<sup>th</sup> and 20<sup>th</sup>; November 3<sup>rd</sup>, 10<sup>th</sup> and 17<sup>th</sup>; December 1<sup>st</sup>, 8<sup>th</sup>, 15<sup>th</sup> and 29<sup>th</sup>.

#### 10. Meetings:

Commissioner Bolz attended the WPUDA Telecom Meeting in Olympia on April 16<sup>th</sup> and a meeting with Washington legislators in Olympia on April 17<sup>th</sup>. Bolz also traveled on April 21<sup>st</sup> to attend Energy Northwest Strategic Planning meetings in Richland on April 22<sup>nd</sup>.

Commissioner Womack, newly elected Co-Chair of the WPUDA Commissioners' Roundtable, attended WPUDA meetings on April 15<sup>th</sup> and 16<sup>th</sup>, followed by a meeting with Washington legislators in Olympia on April 17<sup>th</sup>. Womack also attended Energy Northwest Strategic Planning on April 21<sup>st</sup> and an Energy Northwest Board Meeting on April 22<sup>nd</sup> in Richland.

Commissioner Butler attended WPUDA meetings in Olympia April 15<sup>th</sup> and 16<sup>th</sup>, followed by a meeting with Washington legislators Friday, April 17<sup>th</sup>.

A Special Meeting is scheduled for 9:00 a.m. Monday, May 4, 2009 in Okanogan Superior Court for the purpose of hearing the Superior Court Judge's opinion on a Motion for Determination of Public Use and Necessity for the Methow Transmission Project.


There will be a special meeting of the Board on Tuesday, May 5, 2009 beginning at 7:30 a.m. in Okanogan. Commissioners will meet at the PUD's main office in Okanogan and travel to Wells Dam for the purpose of touring the hydroelectric project facilities.


**III. Executive Session:**

No items were presented for an Executive Session.

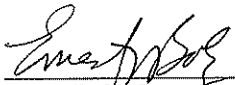
**IV. Adjournment:**

There being no further business to discuss, the meeting was adjourned at 3:20 p.m.

  
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Trish Butler, President

  
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David Womack, Vice-President

ATTEST:

  
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Ernest Bolz, Secretary