

**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  
May 5, 2009  
1:30 PM**

**Present:** Board: Trish Butler, David Womack, Ernest Bolz  
Staff: John Grubich, Doug Adams, Don Coppock,  
Ron Gadeberg, Tina DeLap  
Legal: Michael Howe  
Public: Sheila Corson - The Chronicle  
Bill Swayze - 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 4-28-09
    - b) Vouchers
    - c) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
    - a) CommunityNet
  - 5. New Business
    - a) Resolution No. 1487 Declaring Equipment Surplus
    - b) Resolution No. 1488 NoaNet Member Guarantee
  - 6. Manager's Report
  - 7. Other Business
  - 8. Future Planning
  - 9. 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 the Pledge of Allegiance was recited.

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

**1. Approval of Agenda:**

Commission President Trish Butler noted an Executive Session would be held for the purpose of discussing pending litigation. The Executive Session was expected to last 20 minutes, with action anticipated.

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

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

**a) Minutes**

Minutes of the April 28, 2009 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$2,725,125.18 were submitted for approval.

c) Transfers of Accounts

Transfers of accounts in the amount of \$2,968.23 were 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:

a) CommunityNet

Discussion tabled at the April 28, 2009 Board Meeting at the request of CommunityNet Operations Manager Bill Swayze was resumed. Swayze presented a letter from Roger Bauer, who was not in attendance.

Commissioners questioned a letter Swayze sent to all existing CommunityNet customers stating their rates would be increased as a result of higher charges from the PUD. Telecom Manager Ron Gadeberg reaffirmed that internet bandwidth charges to CommunityNet were decreased effective April 1, 2009, and noted that increases in other services would still result in a lower billing to the ISP after July 1<sup>st</sup>. Swayze stated the \$40 non-recurring charge for new radios would result in an increase to CommunityNet; however Commissioners noted that CommunityNet would still have a net reduction in their bill after factoring in radio equipment charges to be implemented in July.

Swayze expressed dissatisfaction with the District’s \$40 non-recurring charge for new radio equipment, but acknowledged that if a customer switches ISP’s, CommunityNet keeps the radio and reuses it for future installations. Commissioner Bolz noted that it is not the intent of the District to capitalize ISP’s by using public funds to subsidize free enterprise.

5. New Business:

a) Resolution No. 1487 Declaring Equipment Surplus

Manager of Operations Doug Adams presented a request to declare certain vehicles surplus and authorize their sale at an upcoming auction.

Commissioner Bolz moved to approve Resolution 1487 declaring District equipment surplus. Commissioner Womack offered a second to the motion, which carried with unanimous approval.

b) Resolution No. 1488 - NoaNet Member Guarantee

Commissioner Bolz moved to approve Resolution No. 1488 authorizing the manager to execute a Fifth Repayment Agreement with NoaNet. Discussion ensued regarding impacts of continued loan guarantees compared to the benefits of membership in NoaNet. Commissioners noted support of open access; however expressed concern over NoaNet’s funding system and By-Laws. Failure to sign member guarantees results in automatic expulsion from NoaNet. Commissioner Womack seconded the motion to approve Resolution No. 1488. Upon the vote, the motion carried with unanimous approval.

Commissioners will ask NoaNet to outline the benefits of continued membership for the District. The opinion that NoaNet could not succeed without a change in structure was expressed.

**6. Manager's Report:**

General Manager John Grubich notified the Board that notices were published for BPA's outage affecting the Loup line from midnight Wednesday, May 6<sup>th</sup> until 6:00 a.m. on Thursday, May 7<sup>th</sup>. District Telecom and Electrical staff will take advantage of the outage to complete necessary equipment repairs and upgrades.

Director of Finance / Auditor Don Coppock noted Ivoxy staff will install equipment in Omak and Brewster for increased data storage and server upgrades approved in the 2009 budget.

State Auditors began the District's audit today. The process is anticipated to take three weeks.

Power Resource Manager Ron Gadeberg reported on year-to-date wholesale power sales and presented a revised power sales revenue forecast. The new forecast predicts a decrease in revenue from \$7.489 million to \$2.97 million.

**7. Other Business:**

No other business items were presented.

**8. Future Planning:**

No future planning items were presented.

**9. Meetings:**

Commissioners Butler, Womack and Bolz participated in a tour of the Wells Dam Hydroelectric Project in Douglas County on Tuesday, May 05, 2009.

Commissioners Butler and Bolz attended a hearing on eminent domain Monday, May 4, 2009 at Superior Court in Okanogan.

A hearing is scheduled for 9:00 a.m. Monday, May 18, 2009 in Okanogan Superior Court for the purpose of hearing the Superior Court Judge's decision on a Motion for Determination of Public Use and Necessity for the Methow Transmission Project.

**III. Executive Session:**

The regular meeting was recessed at 3:10 p.m. and reconvened into executive session at 3:18 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 action anticipated.

At 3:38 p.m. the executive session was recessed and the regular session resumed.

Commissioner Bolz entered a motion to authorize the General Manager to take any and all actions necessary or appropriate to manage the pending eminent domain actions in the best interest of the District as determined by the General Manager and the District Legal Counsel. Commissioner Womack seconded the motion. Upon the vote, the motion carried with unanimous approval.

**IV. Adjournment:**

There being no further business to discuss, the meeting was adjourned at 3:40 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