

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County
Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
May 26, 2009
1:30 PM**

Present: Board: Trish Butler, David Womack, Ernest Bolz
Staff: John Grubich, Doug Adams, Don Coppock,
Ron Gadeberg, Tina DeLap, Rod Little, Kelly Gunn
Legal: Michael Howe
Public: Sheila Corson - The Chronicle

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 5-5-09
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) Employee Service Awards
 - 6. Manager's Report
 - 7. Treasurer's Report
 - 8. Power Report
 - 9. Other Business
 - 10. Future Planning
 - 11. Meetings
- III. Executive Session
- IV. Methow Transmission Project Tour
- V. 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 potential litigation. The Executive Session was expected to last 20 minutes, with no action anticipated.

Given the short agenda, Commissioner Butler requested a field tour of the Methow Transmission Line route to immediately follow the Executive Session portion of today's Meeting.

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

2. Approval of Consent Agenda Items:

a) Minutes

Minutes of the May 5, 2009 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$4,188,353.91 were submitted for approval.

c) Transfers of Accounts

Transfers of accounts in the amount of \$3,628.81 were submitted for approval.

Commissioner Womack moved to approve the consent agenda as presented.
Commissioner Bolz 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) Employee Service Awards**

General Manager John Grubich presented an Employee Service Award to Kelly Gunn for five years of service to the District. Kelly began her career as a Customer Service Representative with the District, and is now the Engineering Aid in Okanogan. Rod Little was presented an award for ten years of service to the District. Rod began his career with the District as a Warehouseman in 1999. After completing the District's apprentice program, Rod became a Journeyman Lineman with the Okanogan Crew.

6. Manager's Report:

General Manager John Grubich notified the Board:

- A SLICE Cost Sharing Contract has been signed to replace expiring contracts.
- The District will renew its Cost Allocation Agreement with Grant County PUD for participation in the Central Washington Power Authority (CWPA).
- Construction bids for the District's new headquarters building will be opened at 2:00 p.m. on Wednesday, May 27, 2009.
- Staff anticipates having a construction bid award recommendation to present to the Board at the June 9, 2009 regular meeting.
- BPA has requested another outage on the Loup transmission line, to occur from midnight to 6:00 a.m. on Thursday, June 4, 2009. Staff will utilize the outage to complete maintenance upgrades on District equipment.

Manager of Operations Doug Adams reported on the following:

- A contract was executed with the Department of Ecology to hire a Conservation Corps Crew for fire suppression assistance. State stimulus funds will help pay for the crew and equipment to clear sagebrush and weeds from around transmission line poles between Oroville, Tonasket and Whitestone. Work is scheduled to begin on Monday, June 4, 2009.

Director of Finance/Auditor Don Coppock scheduled audit exit conferences with Commissioners preceding the June 9, 2009 Board Meeting as follows:

- 12:00 p.m. Commissioner Butler
- 12:30 p.m. Commissioner Bolz
- 1:00 p.m. Commissioner Womack

7. Treasurer's Report:

The May 1, 2009 Treasurer's Report was presented by Director of Finance/Auditor Don Coppock. Cash and investments on hand remained stable during the month of May. Income is expected to improve due to the conclusion of BPA credit refunds.

8. Power Report:

Power Resource Manager Ron Gadeberg reported on April power trends. Prices remain low, which is typical for this time of year. Market prices are expected to remain low through May and June. Retail revenues are close to budget forecasts after BPA Residential Exchange Credits are factored out. Water forecasts showed minor changes, with Coulee Dam at 87% of normal and The Dalles at 86% of normal.

9. Other Business:

No other business items were presented.

10. Future Planning:

No future planning items were presented.

11. Meetings:

Commissioner Womack attended WPUDA Legislative and Board of Directors meetings in Kennewick May 14 – 15, 2009.

Commissioner Butler attended WPUDA meetings in Kennewick on May 14 - 15, 2009. Butler also attended the NWPPA Annual Meeting in Boise, Idaho May 17 – 21, 2009.

Commissioner Bolz traveled and attended meetings with FERC and Washington legislative delegates in Washington, DC May 12 – 15, 2009. Bolz also attended the NWPPA Annual Meeting in Boise on May 17 - 21, 2009.

III. Executive Session:

The regular meeting was recessed at 2:11 p.m. and reconvened into executive session at 2:15 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 no action anticipated.

At 2:35 p.m. the executive session was recessed and the regular session resumed.

IV. Methow Transmission Project Tour:

At 2:40 p.m. staff and Commissioners departed District headquarters to tour the proposed Methow Transmission Project area, returning to PUD headquarters at 7:15 p.m.

V. Adjournment:

There being no further business to discuss, the meeting was adjourned at 7:15 p.m.

Trish Butler, President

David Womack, Vice-President

ATTEST:

Ernest Bolz, Secretary