

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County**

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
July 14, 2009
12:00 PM**

Present: Board: Trish Butler, David Womack, Ernest Bolz
Staff: John Grubich, Doug Adams, Randy Bird, Dan Boettger,
Nick Christoph, Don Coppock, Jeff Deason, Tina DeLap,
Ron Gadeberg, Bill Ingram, Derek Miller, Jered Mills
Legal: Michael Howe
Public: Jerry Barnes, Sheila Corson, Dale Crandall, David Cummings,
Sarah Delozier, Ray Ellis, Joseph & Dorinda Enzensperger,
Allen Fisk, Clint & Jackie Kendall, Representative Joel Kretz,
Albert Lasvar, Howard Lee, Jeremy Pratt, Richard Price,
Art & Barb Pringle, Tom Scott, Dean & Lillian Stansbury

Summary Agenda

- I. Shanker's Bend Workshop, 12:00 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 6-23-09
 - b) Vouchers
 - c) Transfer of Accounts
 3. Public Comment
 4. Unfinished Business
 5. New Business
 - a) Budget Update
 - b) Utility Sounding Board (USB) Update
 6. Manager's Report
 7. Power Report
 8. Treasurer's Report
 9. Other Business
 10. Future Planning
 11. Meetings
- IV. Executive Session
- V. Adjournment

I. Shanker's Bend Water Storage Project Workshop, 12:00 p.m.

Jeremy Pratt of Entrix and Howard Lee of MWH Americas provided an overview of the proposed Shanker's Bend Water Storage Project near Oroville. Mr. Pratt reiterated that the project is in a preliminary study phase and decisions regarding its feasibility have not been made.

II. Call to Order

The regular meeting was called to order at 1:40 p.m. by Commission President Trish Butler. The Pledge of Allegiance was recited.

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

1. Approval of Agenda:

Commissioner Butler requested the addition of two New Business items, **c) Employee Service**

Award and d) Lineman Rodeo Results. Commissioner Bolz moved to approve the Agenda as amended. Commissioner Womack offered a second to the motion, which passed unanimously.

2. Approval of Consent Agenda Items:

a) Minutes

Minutes of the June 23, 2009 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$2,659,806.68 were submitted for approval.

c) Transfers of Accounts

An account transfer in the amount of \$40.00 was submitted for approval.

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

3. Public Comment:

Dale Crandall, President of the Palmer Lake Residents' Association, requested that he be listed as an interested party for Shanker's Bend project updates and meeting notices.

4. Unfinished Business:

No unfinished business items were presented.

5. New Business:

a) Budget Update

Director of Finance / Auditor Don Coppock reviewed revenues, expenditures and capital outlays approved in the 2009 budget. Adjustments to offset decreased cash flows were discussed.

Manager John Grubich noted that while cash reserves are declining, revenues are still adequate to cover operation and maintenance expenses.

b) Utility Sounding Board (USB) Update

Energy Services Coordinator Steve Brown was invited to join BPA's Utility Sounding Board (USB), a roundtable of representatives from Washington, Oregon, Idaho and Montana utilities. Brown was elected to serve on the 9-person Board for an 18-month term beginning in April, 2009. The USB discusses proposed conservation programs and offers feedback to conservation funding decision-makers at BPA. Monthly meetings alternate between the Portland BPA office and teleconferencing.

c) Employee Service Awards

General Manager John Grubich introduced Jered Mills, the District's Hazardous Materials Specialist. Jered has been with the District since 2004, and is now in charge of monitoring and control of District equipment containing PCB's or potentially hazardous materials. Mills noted his appreciation of PUD co-workers.

d) Lineman Rodeo Results

District employees Randy Bird and Bill Ingram were joined by Sarah DeLozier of Chelan PUD to provide the results of this year's Andrew York Lineman Rodeo. The rodeo was created in honor of Andrew York, a Chelan PUD Lineman who was killed by a drunk driver in 2000. Proceeds fund scholarships to local high school students active in promoting drug and alcohol abuse awareness. The recipients of \$1,000 scholarships this year were Katie Fergus of Okanogan, Kelsey Harding of Manson and Aubrey Abbott of Cashmere. DeLozier also presented an award to Okanogan PUD for their assistance and participation in the rodeo.

6. Manager's Report:

Manager John Grubich reported:

- State Audit Reports have been posted on the District’s website.
- AMI metering integration will begin next week.
- A Professional Services Agreement in an amount not to exceed \$75,000 will be executed with RW Beck for completion of an Equity Management Plan.

7. Power Report:

Power Resource Manager Ron Gadeberg noted below average market prices and shortages in power available to sell continue to negatively impact District finances.

Output at the Nine Canyon Wind Farm is slightly below projections. Twenty-six gearboxes have been replaced. The newer gearbox design appears to have corrected previous mechanical failures.

8 Treasurer’s Report:

Director of Finance/Auditor Don Coppock presented the July 1, 2009 Treasurer’s Report. Cash and investments decreased just under \$300,000 during the month of June. While this decrease is an improvement over year to date trends, cash reserves continue to gradually decrease.

9. Other Business:

No other business items were presented.

10. Future Planning:

No future planning items were presented.

11. Meetings:

Commissioners Butler, Bolz and Womack attended a groundbreaking ceremony for the District’s new headquarters building in Okanogan on June 26th and a tour of the Shanker’s Bend project area on June 30th.

IV. Executive Session:

No items were presented for executive session.

V. Adjournment:

There being no further business to discuss, the meeting was adjourned at 2:54 p.m.

Trish Butler, President

David Womack, Vice-President

ATTEST:

Ernest Bolz, Secretary