

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County
Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
October 6, 2009
1:30 PM**

Present: Board: Trish Butler, David Womack, Ernest Bolz
Staff: John Grubich, Doug Adams, Don Coppock, Ron Gadeberg,
George Howe, George Webster, Derek Miller, Debra Peters,
Tina DeLap
Legal: Michael Howe
Public: Okanogan County Sheriff Frank Rogers; Okanogan County
Undersheriff Joe Somday; Sheila Corson - The Chronicle;
Olga Darlington – Moss Adams; Bernard and Dianne Thurlow

Summary Agenda

- I. Call to Order
- II. Business Meeting, 1:30 p.m.
 - 1. Approval of Agenda
 - 2. Approval of Consent Agenda
 - a) Minutes of 9-22-09
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) 2009 Okanogan County Fair Video Prepared by the Okanogan County Sheriff's Office
 - b) Moss Adams Proposal for Audit Services
 - c) Hearing on Proposed 2010 Budget
 - d) Resolution No. 1492 – Surplus Equipment
 - e) Bid No. 359-09, Substation Equipment
 - 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 led participants in the Pledge of Allegiance.

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

1. Approval of Agenda:

Commissioner Butler noted a 30-minute Executive Session would be held for the purpose of discussing litigation, with no action anticipated.

Commissioner Womack moved to approve the Agenda as presented. Commissioner Bolz offered a second to the motion, which passed with unanimous approval.

2. Approval of Consent Agenda Items:

a) Minutes

Minutes of the September 22, 2009 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$3,089,175.18 were submitted for approval.

c) Transfers of Accounts

An invoice in the amount of \$1,924.09 to be transferred for collection 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:

Bernard Thurlow gave a history of his family's efforts to bring television to the Methow Valley and Dianne Thurlow outlined the benefits of raising cattle. An easement signed in 1967 by the Thurlows provided access for present and future McClure Mountain electronic site users and their repairmen. The Thurlows are seeking access charges for use of McClure Mountain Road by any entities that benefit from communication equipment or power on McClure Mountain.

4. Unfinished Business:

No unfinished business items were presented.

5. New Business:**a) 2009 Okanogan County Fair – Video Prepared by Okanogan County Sheriff's Office:**

Okanogan County Sheriff Frank Rogers and Undersheriff Joe Somday presented a video compiled by Somday of the PUD safety demonstration at this year's County Fair. Somday also presented the PUD with a copy of a photograph he took, printed and framed of the lineman pole climbing event.

Commissioners and staff thanked Somday for his excellent presentation, photo and support of community events.

b) Moss Adams Proposal for Audit Services:

Olga Darlington of Moss Adams provided an overview of the services Moss Adams can provide to Public Utility Districts. Ms. Darlington noted that PUD's are required to be audited by the Washington State Auditor; however State audits primarily target regulatory issues. Moss Adams' risk-based audit would provide a broader financial overview for potential bond underwriters and issuers.

c) Hearing on Proposed 2010 Budget:

Director of Finance / Auditor Don Coppock distributed copies of the draft Proposed 2010 Budget to the Board of Commissioners, officially opening the 2010 budget hearings. Coppock outlined figures contained in his 2010 Proposed Budget Overview dated October 6, 2009. The budget hearing was recessed until the November 3, 2009 Board meeting.

d) Resolution No. 1492 – Surplus Equipment:

Manager of Operations Doug Adams provided background information on outdated substation equipment to be declared surplus and disposed of accordingly.

Commissioner Womack moved to approve Resolution No. 1492 declaring equipment surplus and authorizing its sale or disposal. Commissioner Bolz seconded the motion. Upon the vote, the motion carried unanimously.

e) **Bid No. 359-09, Substation Equipment:**

Chief Engineer Derek Miller presented the results of Bid No. 358-09 for the purchase of distribution transformers. Staff recommended awarding the bid to the lowest qualified bidders, McKaig Evergreen, General Pacific and HD Utility Supply.

Commissioner Womack moved to accept staff recommendation and award Bid No. 358-09 to the lowest qualified bidders for the purchase of distribution transformers. Commissioner Bolz seconded the motion, which passed unanimously.

6. **Manager's Report:**

General Manager John Grubich noted:

- An outage is planned for Midnight to 5:00 a.m. on October 9th to repair substation equipment previously damaged by a bird.
- Staff reviewed the initial R.W. Beck Draft Equity Management Plan. A new draft is being prepared to incorporate staff comments and is expected to be completed by next week. A presentation of the Equity Management Plan results will take place during the November 3, 2009 Board Meeting.
- The District suspended their application for a Conditional Use Permit amendment until a more complete design is prepared that will provide answers to the concerns voiced by the Okanogan Board of Adjustments.
- The Public Power Council reported on potential damages to hydro structures by invasive mussels species that are beginning to show up in the Columbia River Basin.

Manager of Operations Doug Adams reported on AMI metering. Installations are being done in the southern area, with 2,000 out of 16,000 residential meters already installed. Five substations are AMI compatible, with conversion of one more expected in the next week. Initial estimates showed AMI meter conversions should be completed in 2 years. Staff is currently running ahead of schedule.

7. **Other Business:**

No other business items were presented.

8 **Future Planning:**

A Budget Workshop will precede the November 3, 2009 Board Meeting.

R.W. Beck will tentatively present the results of the District's Equity Management Plan at the November 3, 2009 Board Meeting.

9. **Meetings:**

Commissioner Butler traveled to Pateros on September 28, 2009 with Energy Services Coordinator Steve Brown to present a check to the Pateros School District for their participation in a District Conservation Program.

III. **Executive Session:**

The regular meeting was recessed at 3:25 p.m. and reconvened into executive session at 3:30 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 thirty minutes, with no action anticipated.

At 4:00 p.m. the executive session was recessed and the regular session resumed with no action taken.

IV. Adjournment:

There being no further business to discuss, the meeting was adjourned at 4:00 p.m.

Trish Butler, President

David Womack, Vice-President

ATTEST:

Ernest Bolz, Secretary