

**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  
November 3, 2009  
12:30 PM**

**Present:** Board: Trish Butler, David Womack, Ernest Bolz  
Staff: John Grubich, Doug Adams, Don Coppock, Ron Gadeberg,  
Dan Boettger, John MacDonald, Tina DeLap  
Legal: Michael Howe  
Public: Richard Cuthbert - R.W. Beck;  
Jim Oakley - Energy Northwest;  
Sheila Corson - The Chronicle

**Summary Agenda**

- I. R.W. Beck Equity Management Plan Workshop - 12:30
- II. Call to Order
- III. Business Meeting – 1:30 p.m.
  - 1. Approval of Agenda
  - 2. Approval of Consent Agenda
    - a) Minutes of 10-20-08
    - b) Vouchers
    - c) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
    - a) 2010 Draft Budget Hearing
  - 5. New Business
    - a) Jim Oakley, Energy Northwest Member Services
    - b) Red Flag Rules - Identity Theft Protection
  - 6. Manager's Report
  - 7. Other Business
  - 8. Future Planning
  - 9. Meetings
- IV. Executive Session
- V. Adjournment

**I. R.W. Beck Equity Management Plan Workshop - 12:30**

Richard Cuthbert of R.W. Beck presented draft results of the Equity Management Plan (EMP) prepared for the District by R.W. Beck. The EMP is a financial analysis tool which clarifies and illustrates District revenues and costs for services.

**II. Call to Order**

Commission President Trish Butler called the regular meeting to order at 1:38 p.m. and led participants in the Pledge of Allegiance.

**III. Business Meeting**

**1. Approval of Agenda**

General Manager John Grubich noted there would be a 20-minute Executive session for the purpose of discussing litigation, with no action anticipated.

Continuation of the R.W. Beck Equity Management Plan discussion will be added to the agenda as New Business item c).

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****a) Minutes**

Minutes of the October 20, 2009 Regular meeting were submitted for approval.

**b) Vouchers**

Vouchers in the amount of \$2,522,387.25 were submitted for approval.

**c) Transfer of Accounts**

No transfers of accounts were submitted for approval.

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

**3. Public Comment**

Jim Oakley of Energy Northwest presented a plaque to the Board of Commissioners in honor of the District's continued membership.

**4. Unfinished Business****a) 2010 Draft Budget Hearing**

The 2010 Budget hearing was reconvened. Director of Finance/Auditor Don Coppock presented a draft calendar of budget workshops and discussed budget projections. Power Resource Manager Ron Gadeberg and Telecom Network Engineer John MacDonald outlined telecommunication revenue and expenditures listed in the 2010 budget.

The budget hearing will reconvene during a workshop period from 12:30-1:30 p.m. on November 10, 2010, prior to the regularly scheduled Board meeting.

**5. New Business****a) Jim Oakley, Energy Northwest Member Services**

Jim Oakley, Senior Member Relations Representative for Energy Northwest, updated meeting attendees on the status of generation facilities owned or proposed by Energy Northwest. The Radar Ridge Wind Farm project is currently in the permitting process. Repairs have been completed at the Packwood facility and are underway at Columbia.

**b) Red Flag Rules - Identity Theft Protection**

Director of Finance / Auditor Don Coppock outlined how increased Federal standards now require utility companies to become policing agents for the prevention of identity theft. The District's Red Flag Rules policy outlines procedures for the detection and response to potential identity theft issues.

**c) R.W. Beck – Equity Management Plan**

Discussion of the draft Equity Management Plan (EMP) resumed from the workshop period. The EMP is an analytical study of revenue and expense components designed to promote financial stability. The study identified the need for a rate increase in 2010, 2012 and 2014. Staff will be working with R.W. Beck to explore options that will reduce or minimize future rate adjustments without compromising the financial stability of the PUD.

**6. Manager's Report**

General Manager John Grubich and Power Resource Manager Ron Gadeberg attended a Northwest Power and Conservation Counsel presentation at Inland Power in Spokane. The presentation outlined the Counsel's 6<sup>th</sup> Power Plan for the region. Copies of the power point presentation from this meeting were distributed to the Board.

Manager of Operations Doug Adams, Grubich, Gadeberg and Coppock toured the Eastern Washington University and Washington State University River Pointe Campus complex in Spokane to view furniture styles for the new headquarters building. Representatives of USKH Architects will meet with staff next week to review potential options.

A notice of non-participation was sent to BPA regarding the District’s election not to participate in BPA’s Tier 2 program for power resources in 2012 – 2014.

Adams reported the second floor of the new headquarters building was poured last week and the roof decking is being installed this week.

**7. Other Business**

Commissioner Bolz initiated a discussion on the District’s opinion regarding retail telecom authority. The Washington PUD Association (WPUDA) Telecom Committee has put the issue in front of their Legislative Committee in anticipation of legislation changes next year. WPUDA favors legislation granting retail authority to utilities.

**8. Future Planning**

Next week’s regularly scheduled Board meeting will be preceded by a Budget Workshop from 12:30 – 1:30 p.m.

**9. Meetings**

Commissioner Bolz attended the Energy Northwest Members Forum in Richland, WA October 22 – 23, 2009

Commissioner Womack attended the Energy Northwest Board of Directors Meeting and Members Forum in Richland, WA October 21 – 23, 2009.

Commissioner Butler attended the Energy Northwest Members Forum in Richland, WA October 22 – 23, 2009.

**IV. Executive Session**

The regular meeting was recessed at 4:35 p.m. and reconvened into executive session at 4:40 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 5:00 p.m. the executive session was recessed and the regular session resumed with no action taken.

**V. Adjournment**

There being no further business to discuss, the meeting was adjourned at 5:00 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