

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County
Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
January 5, 2010
1:30 PM**

Present: Board: Trish Butler, Ernest Bolz, David Womack
Staff: John Grubich, Doug Adams, Don Coppock,
Ron Gadeberg, Janet Crossland, Derek Miller,
Dan Boettger, Julie Pyper
Public: Sheila Corson - The Chronicle

Summary Agenda

- I. Call to Order
- II. Election of Board Officers
- III. Business Meeting – 1:30 p.m.
 - 1. Approval of Agenda
 - 2. Approval of Consent Agenda
 - a) Minutes of 12-15-09
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) Resolution No. 1498 – PURPA Standards Adopted
 - b) Resolution No. 1499 - PURPA Standards Not Adopted
 - c) Entrix Professional Service Agreement #LF 2005-2 Amend. 8
 - d) Asplundh Professional Service Agreement #RS 2010-01
 - e) Appointment of Committee Representatives
 - 6. Manager’s Report
 - 7. Other Business
 - 8. Future Planning
 - 9. Meetings
- IV. Executive Session
- V. 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. Election of Board Officers

Commissioner Bolz moved to elect officers for 2010 based on an ascending rotation. Commissioner Butler offered a second to the motion. Upon the vote, the motion carried with unanimous approval. Officers for 2010 will be: David Womack, President; Ernest Bolz, Vice President; Trish Butler, Secretary.

III. Business Meeting

1. Approval of Agenda

Commissioner Butler requested the addition of an open public meeting as the first item under New Business for comments on PURPA standards. It was also noted that a 30 minute executive session would be held at 2:15 p.m. for the purpose of discussing potential litigation with District legal counsel and management staff.

2. Approval of Consent Agenda Items

a) Minutes

Minutes of the December 15, 2009 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$3,204,833.63 were submitted for approval.

c) Transfers of Accounts

No transfers of accounts were submitted for approval.

Commissioner Bolz moved to approve the consent agenda as presented. Commissioner Butler seconded the motion, which received unanimous approval.

3. Public Comment

No public comments were offered.

4. Unfinished Business

No unfinished business items were presented.

5. New Business

A public meeting was opened for public comment on Public Utilities Regulatory Policies Act (PURPA) and Non-PURPA Standards which were amended as a result of the Energy Independence and Security Act of 2007. Public utilities are required to consider, but not adopt, five PURPA standards and one non-PURPA standard designed to promote energy efficiency, conservation and Smart Grid technology.

District staff supports adoption of Section 1307 PURPA 111(d)(16) in consideration of Smart Grid Investments. The District's investment in AMI metering qualifies as an investment in Smart Grid technology for improved reliability, system performance, security and social benefit.

Compliance with Section 532 PURPA 111(d)(16) & (17), Section 1307 PURPA 111(d)(17) and Non-PURPA Section 374 were found to be cost prohibitive or irrelevant to District operations, thus staff does not recommend their adoption.

No public comments were received and the public hearing was closed.

a) Resolution No. 1498 - PURPA Standards Adopted

Commissioner Butler moved to approve Resolution No. 1498 in support of Section 1307 PURPA Standard 111(d)(16). Commissioner Bolz offered a second to the motion, which carried with unanimous approval.

b) Resolution No. 1499 - PURPA Standards Not Adopted

Commissioner Bolz moved to approve Resolution No. 1499 to formalize the District's intent to not adopt PURPA Sections 532 111(d)(16), 532 111(d)(17), 1307 111(d)(17) and Non-PURPA Section 374. Commissioner Butler offered a second to the motion, which carried unanimously.

c) Entrix Professional Service Agreement #LF 2005-2 Amendment #8

Manager of Operations Doug Adams presented a request to amend contract #LF 2005-2 with Entrix for continuation of services related to development of the Enloe Dam Hydroelectric Project.

Commissioner Butler moved to authorize the General Manager to enter into professional service agreement #LF 2005-2 Amendment #8 with Entrix in an amount not to exceed \$402,294.16 for work pertaining to development of the Enloe Dam Hydroelectric Project in 2010. Commissioner Bolz offered a second to the motion, which carried unanimously.

d) Asplundh Professional Service Agreement #RS 2010-01

Right of Way Superintendent Roy Schwilke requested approval of a professional service agreement with Asplundh Tree Experts to provide distribution line tree trimming and maintain established right of way clearances in 2010. Asplundh, the lowest qualified bidder, has contracted with the District continually since 2006 to provide right of way clearing.

Commissioner Bolz moved to authorize the General Manager to execute professional service agreement #RS 2010-01 with Asplundh Tree Trimming in an amount not to exceed \$600,000 for tree trimming services in 2010. Commissioner Butler offered a second to the motion, which carried unanimously.

Manager of Operations Doug Adams reported no tree related outages occurred during recent snow storms, a dramatic improvement over previous years. Commissioners noted the value of the tree trimming program to customers of the District, and Schwilke was commended for his management of the District's right-of-ways.

e) **Appointment of Committee Representatives**

The following committee representatives were chosen for 2010:

<u>Committee:</u>	<u>Representative:</u>	<u>Alternate:</u>
Energy Northwest	Womack	Bolz
NoaNet Member Representative *Director: Ernest Bolz	*Gadeberg	*Grubich
Northwest Public Power Association	Butler	Bolz
Public Utility Risk Management Service	Butler	Burke
Public Power Council	Grubich	Adams
Washington PUD Association (WPUDA)	Butler	Womack
WPUDA Round Table	Womack	Bolz

*NoaNet appointments are pending verification from NoaNet that Commissioner Bolz may retain his position as Director without being the District’s appointed representative.

6. **Manager’s Report**

General Manager John Grubich reported:

- He has been asked to serve on the WPUDA Energy Committee and the NoaNet Finance Committee.
- Staff continues to work with RW Beck on the District’s rate structure analysis and equity management plan.
- Staff will review furniture options for the new headquarters building and present a proposal to the Board. Furniture costs are anticipated to be 20% below original estimates.

Manager of Operations Doug Adams reported progress on the new headquarters building.

- The building is weatherproof and waterproof, with temporary heat inside.
- Crews are working on drywall, plumbing and electricity.
- Construction is progressing according to schedule.

7. **Other Business**

No other business items were presented.

8. Future Planning

No future planning items were presented.

9. Meetings

None of the Commissioners had meetings to report.

IV. Executive Session

The regular meeting was recessed at 2:13 p.m. and reconvened into executive session at 2:16 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). The executive session was expected to last approximately 30 minutes, with no action anticipated.

At 2:45 p.m. the executive session was recessed and the regular session resumed.

V. Adjournment

There being no further business to discuss, the meeting was adjourned at 2:46 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary