

**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 19, 2010
1:30 p.m.**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: John Grubich, Doug Adams, Don Coppock,
Ron Gadeberg, Janet Crossland, Tina DeLap
Other: Michael Howe - Legal Counsel
Public: Sheila Corson - The Chronicle

Summary Agenda

- I. Call to Order
- II. Business Meeting – 1:30 p.m.
 - 1. Review of Agenda
 - 2. Approval of Consent Agenda
 - a) Minutes of 1-5-10
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) CAI Contract NC 2007-13 Amendment #4
 - b) Interior Development East Ltd Contract Proposal
 - 6. Manager’s Report
 - 7. Power Report
 - 8. Treasurer’s Report
 - 9. Other Business
 - 10. Future Planning
 - 11. Meetings
- III. Executive Session
- IV. Adjournment

I. Call to Order

Commission President David Womack called the regular meeting to order at 1:30 p.m. and led participants in the Pledge of Allegiance.

II. Business Meeting

1. Review of Agenda

Commissioner Womack noted a thirty minute executive session would be held immediately following the regular business meeting for the purpose of discussing litigation, with no action anticipated.

2. Approval of Consent Agenda Items

a) Minutes

Minutes of the January 5, 2010 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$1,807,240.44 were submitted for approval.

c) Transfers of Accounts

Transfers of accounts in the amount of \$2,094.38 were submitted for approval.

Commissioner Bolz moved to approve the consent agenda as presented. Commissioner Butler offered a second to the motion, which carried with unanimous approval.

3. Public Comment

No public comments were offered.

4. Unfinished Business

No unfinished business items were presented.

5. New Business**a) Christensen Associates Inc. Contract NC 2007-13 Amendment #4**

Manager of Operations Doug Adams outlined amendments to the District's current professional services agreement with Christensen Associates Inc. (CAI) for engineering work on Enloe Dam in 2010.

Commissioner Butler moved to authorize the General Manager to enter into professional service agreement #NC 2007-13 Amendment #4 with Christensen Associates Inc (CAI) in an amount not to exceed \$250,000 for Enloe Dam engineering work to be performed in 2010. Commissioner Bolz offered a second to the motion, which carried unanimously.

b) Interior Development East Ltd Contract Proposal

General Manager John Grubich noted the District can utilize a state contract to purchase furniture and equipment for the new headquarters building at the 2009 prices for significant cost savings. The estimate of \$492,597 plus a contingency of \$2,403 is approximately 20% less than budgeted for in 2010.

Commissioner Bolz moved to authorize the General Manager to enter into a professional service agreement with Interior Development East Ltd in an amount not to exceed \$495,000 plus sales tax for the purchase of furnishings for the District's new headquarters facility. Commissioner Butler offered a second to the motion, which carried unanimously.

6. Manager's Report

General Manager John Grubich reported:

- The NoaNet finance team met last week to discuss amendments which would incorporate measurable criteria into NoaNet's financial policy. The team expects to have a draft financial policy ready for presentation to the Board at NoaNet's March, 2010 meeting.
- The District All Employee Day was held Monday, January 18, 2010 at the Agriplex in Okanogan. The event was well attended and informative.
- Carol Hustad, the District's BPA Account Executive, is retiring at the end of January. Larry Felton will be replacing Carol as the District's BPA Account Executive. Felton's previous employment as Power Resource Manager at Okanogan PUD will help facilitate the transition.

7. Power Report

Power Resource Manager Ron Gadeberg presented the December, 2009 Power Report. Expenses exceeded projected revenues by \$4.1 million over the course of the year, primarily due to poor water flows and poor market conditions. The average price per kilowatt for power purchased in 2008 was \$47.00. This figure plummeted to \$23.00 in 2009. A lack of surplus power to sell increased the negative impact on revenue.

8. Treasurer's Report

District Treasurer Janet Crossland presented the Treasurer's Report for December, 2009. Cash on hand decreased \$14 million; however the Rate Stabilization Fund increased approximately \$500,000 with the inclusion of remaining Residential Exchange Credits not refunded to customers earlier in 2009.

9. Other Business

No other business items were presented.

10. Future Planning

R.W. Beck will conduct a Rate Design Workshop beginning at noon on February 16, 2010.

11. Meetings

Commissioner Bolz traveled to Olympia on Wednesday, January 13th to attend the WPUDA Telecom Committee meeting and Legislative Reception on Thursday, January 14th. Bolz traveled home on Friday, January 15th.

Commissioner Butler also attended WPUDA meetings in Olympia January 13th, 14th and 15th.

Commissioner Womack drove to Olympia to attend the Legislative Reception on January 14th and returned on January 15th.

III. Executive Session

The regular meeting recessed at 2:03 p.m. and reconvened into executive session at 2:05 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 2:35 p.m. the executive session was recessed and the regular session resumed.

IV. Adjournment

There being no further business to discuss, the meeting was adjourned at 2:35 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary