

**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  
February 16, 2010  
12:00 p.m.**

**Present:** Board: David Womack, Ernest Bolz, Trish Butler  
Staff: John Grubich, Doug Adams, Allen Allie, Steve Brown,  
Fred Burke, Don Coppock, Janet Crossland, Jerry Day,  
Jeff Deason, Tina DeLap, Debbie Dibble, Janet Funston,  
Ron Gadeberg, Kathy Gordon, George Howe, Glenn Huber,  
Derek Miller, Mindy Morris, Megan Morrissey, Mark Pritchard,  
Laura Richards, Marla Vanderweide  
Other: Michael Howe - Legal Counsel  
Public: Richard Cuthbert, Timothy Baars – R.W. Beck  
Sheila Corson - The Chronicle

**Summary Agenda**

- I. R.W. Beck Rate Design Workshop - 12:00 p.m.
- II. Call to Order - 1:30 p.m.
- III. Pledge of Allegiance
- IV. Business Meeting
  - 1. Review of Agenda
  - 2. Approval of Consent Agenda
    - a) Minutes of 2-2-10
    - b) Vouchers
    - c) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
  - 5. New Business
    - a) Nine Canyon Wind Farm Update
  - 6. Treasurer's Report
  - 7. Manager's Report
  - 8. Other Business
  - 9. Future Planning
  - 10. Meetings
- V. Executive Session
- VI. Adjournment

**I. R.W. Beck Rate Design Workshop**

Commission President David Womack called the workshop period to order at 12:00 p.m. Richard Cuthbert and Timothy Baars of R.W. Beck outlined results of the District's cost of service and rate studies. Various rate scenarios designed to bring services in-line with costs were discussed.

**II. Call to Order**

Commission President David Womack called the regular meeting to order at 1:30 p.m.

**III. Pledge of Allegiance**

Commissioner Womack led meeting participants in recitation of the Pledge of Allegiance.

**IV. 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 pending litigation, with no action anticipated.

**2. Approval of Consent Agenda Items**

**a) Minutes**

Minutes of the February 2, 2010 regular meeting were submitted for approval.

**b) Vouchers**

Vouchers in the amount of \$2,629,245.90 were submitted for approval.

**c) Transfers of Accounts**

Accounts in the amount of \$2,826.75 were submitted for transfer as uncollectable, and a request to transfer \$32.72 from an inactive account to an active account was submitted for approval.

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

**3. Public Comment**

No public comments were offered.

**4. Unfinished Business**

No unfinished business items were presented.

**5. New Business**

**a) Nine Canyon Wind Farm Update**

Power Resource Manager Ron Gadeberg presented an overview of generation from the Nine Canyon Wind Farm in 2009. Wind is considered a viable renewable resource; however, its erratic nature makes it difficult to schedule. Potential system overloads can occur when wind surges cause power generation surges. The District owns 16.6% of the output of Nine Canyon, which averages 5 megawatts of power. Generation throughout 2009 was very unpredictable, with high fluctuations experienced every month. Phases I and II experienced 5 generator failures due to mechanical problems with splices and gear boxes. A newer style of gearbox and new splicing methods appear to have alleviated these issues. Most repairs were completed under warranties, lessening financial impacts. Because of the newness of wind technology, similar issues are occurring industry-wide. Wind generation from the Nine Canyon Project costs an average of \$.07/kwh. The District’s residential rate is currently \$.044/kwh.

**6. Treasurer’s Report**

District Treasurer Janet Crossland reported that cash and investments on hand continue to decline. Warrants in excess of \$4 million were paid in January, 2010 and \$1,129,506.88 worth of investments matured during the same time frame. The District ended the month of January with just under \$819,000 available for operations and \$12 million in investments on hand.

**7. Manager’s Report**

General Manager John Grubich reported:

- A contract extension of \$5,000 was signed with Hammond Collier Wade Livingston for continued testing on the new headquarters facility.
- SB 6838 exempting DNR lands from eminent domain statutes is no longer in legislative committee. The bill could be reintroduced in conjunction with other legislation, so staff will continue monitoring its status.
- Legal Counsel Michael Howe noted the editorial on SB 6838 in last week’s *Chronicle* was very informative. Howe commended *Chronicle* staff for their reporting of this critical issue.

- Manager of Operations Doug Adams reported 6,000 AMI meters have been installed, primarily in residential areas. Completion of residential meter change outs is on schedule for completion in 2010.
- Construction of the new headquarters facility is 70% complete. Crews inside continue to sheet rock and paint while outside crews concentrate on siding and trim. Completion is expected in April, with move-in scheduled for mid-May.

**8. Other Business**

No other business items were presented.

**9. Future Planning**

No future planning items were presented.

**10. Meetings**

Commissioner Bolz traveled to Seattle on Tuesday, February 9<sup>th</sup> to attend a NoaNet meeting. He returned on Wednesday, February 10<sup>th</sup>.

Commissioner Womack traveled Wednesday, February 3<sup>rd</sup> to attend WPUDA meetings on February 4<sup>th</sup> and 5<sup>th</sup>. Womack also attended a Washington State Ways and Means Committee meeting in Olympia on Friday, February 5<sup>th</sup>, returning the same day.

**I. R.W. Beck Rate Design Workshop - continued.**

The Regular Meeting recessed at 2:15 p.m. and the workshop session resumed.

Commissioners, staff and representatives from R.W. Beck resumed discussions pertaining to various rate scenarios presented.

**V. Executive Session**

The workshop recessed at 3:10 p.m. and reconvened into executive session at 3:15 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 3:45 p.m. the executive session was recessed and the regular session resumed.

**VI. Adjournment**

There being no further business to discuss, the meeting was adjourned at 3:45 p.m.

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David A. Womack, President

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Ernest J. Bolz, Vice-President

ATTEST:

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Trish Butler, Secretary