

**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  
March 2, 2010  
1:30 p.m.**

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

**Summary Agenda**

- I. Call to Order - 1:30 p.m.
- II. Pledge of Allegiance
- III. Business Meeting
  - 1. Review of Agenda
  - 2. Approval of Consent Agenda
    - a) Minutes of 2-16-10
    - b) Vouchers
    - c) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
  - 5. New Business
    - a) Employee Service Awards
    - b) Resolution No. 1501 – Wage and Salary Grades
  - 6. Manager’s Report
  - 7. Other Business
  - 8. Future Planning
  - 9. Meetings
- IV. Executive Session
- V. Adjournment

**I. Call to Order**

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

**II. Pledge of Allegiance**

Commissioner Womack led the Pledge of Allegiance.

**III. Business Meeting**

**1. Review of Agenda**

Commissioner Womack noted a 30 minute executive session would be held immediately following the regular business meeting for the purpose of discussing pending litigation and review of performance of a District employee, with no action anticipated.

A discussion of NoaNet will be added under Other Business. New Board Meeting Times will be added as New Business item c) and Town Hall Meetings for rate discussions will be discussed under Future Planning. A Power Report will also be added to the Agenda following the Manager’s Report.

**2. Approval of Consent Agenda Items**

**a) Minutes**

Minutes of the February 16, 2010 regular meeting were submitted for approval.

**b) Vouchers**

Vouchers in the amount of \$1,636,713.70 were submitted for approval.

**c) Transfers of Accounts**

No account transfers were submitted for approval.

Commissioner Bolz moved to approve the consent agenda as presented. Commissioner Butler 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) Employee Service Awards**

Environmental Coordinator Jeff Deason was commended for five years of service to the District. In addition to overseeing many issues of environmental and regulatory concern such as the District’s Wastewater Disposal Program, Spill Prevention Program and Hazardous Materials Programs, Deason has also assisted with environmental issues pertaining to the Methow Transmission Project.

Marla Davis was recognized for 20 years of service to the District. Marla was hired in 1990 as a Draftsperson, was promoted to Distribution Engineer in 1999 and became the District’s GIS Mapping Technician in 2006. She is responsible for entering engineering work orders into the District’s new electronic mapping system and also maintains one-line books for the Engineering Department and Line Crews.

**b) Resolution No. 1501 – Wage and Salary Grades**

General Manager John Grubich introduced Resolution No. 1501, designed to ensure District salary ranges remain competitive with other Pacific Northwest utilities. Commissioners noted it is more cost effective to retain qualified employees than to hire and train new ones. Resolution No. 1501 updates salary ranges by job description, but does not grant any wage increases to employees.

Commissioner Bolz moved to approve Resolution No. 1501 updating the District’s Wage and Salary Grades. Commissioner Butler offered a second to the motion, which carried unanimously.

**c) Board Meeting Times**

General Manager John Grubich discussed amending the starting time of future Board meetings to facilitate longer workshop periods if needed and minimize disruptions to regular meetings.

Commissioners directed staff to draft a resolution changing the starting time of Regular Board Meetings to 2:30 p.m., effective April 1, 2010.

**6. Manager’s Report**

General Manager John Grubich asked General Counsel Michael Howe to update the Board on the status of the eminent domain action. General Counsel Howe informed the Board that a hearing was held on February 24, 2010 before Judge Burchard. At that hearing, Judge Burchard entered two orders. One order granted Conservation Northwest its motion to intervene in the eminent domain action for the purpose of challenging the District’s legal authority to condemn State trust lands. The second order clarified the scope of discovery that private land owners (Trevor Kelpman and Daniel Gebbers) and the District would be entitled to prior to the hearing scheduled for April 5, 2010. General Counsel Howe also noted that the Washington State Assistant Attorney General representing the Washington State Department of Natural Resources (DNR) asked to participate in the depositions of District staff. That request

is currently under consideration by the private land owners. In addition, General Counsel Howe noted that the hearing between DNR and the District scheduled for April 19, 2010 has been moved to May 3, 2010. Finally, General Counsel Howe informed the Board that the Adams fire claim, filed in May 2007 and scheduled for a summary judgment hearing before Judge Burchard on April 5, 2010, was postponed indefinitely to insure the parties to the eminent domain action would have sufficient time to present their case on April 5<sup>th</sup>.

Manager of Operations Doug Adams reported on the following:

- 3-phase AMI meters are onsite and installation at commercial accounts will begin soon.
- Residential AMI meter installations are on schedule to be completed in 2010, and 3-phase installations should be completed in late 2010 or early 2011.
- Crews are working on the lower floor and server room of the new headquarters building to facilitate a May move-in. The server room ramp, railing and raised floor have been installed. The majority of sheet rocking has been completed. Walls are being painted, ceiling tiles are being hung and floor tiles are being installed on the downstairs floor.
- Crossarms and insulators are being installed on fiber poles north of Riverside in preparation for connection to the Pine Creek Substation.

General Manager John Grubich reported:

- State auditors will be onsite for two weeks beginning March 10<sup>th</sup> to conduct an Accountability Audit.
- Moss Adams will be onsite in April to conduct the District’s Financial Audit. Results of their audit will be shared with the State Auditor’s office.

**7. Power Report**

Power Resource Manager Ron Gadeberg reported 12,655 MW of power sales netted the District \$527,666 in February, exceeding budgeted estimates by almost \$129,000.

Water flow projections continue to be grim, with a 69% of normal water year expected. High variations can occur in March and April, which may affect this estimate.

**8. Other Business**

Commissioner Bolz reported that NoaNet was awarded an \$84 million Government Stimulus Funds Grant. This figure was \$9 million less than they applied for, causing some ancillary projects such as public computer centers and videoconferencing to be delayed.

Funds will be used to enhance internet access to underserved areas of the State, with a primary emphasis on medical and education sectors. The expansion is expected to take three years to complete. NoaNet will apply for additional funding for Phase II of their expansion, which includes a route from the PUD fiber system in Tonasket across Ferry and Stevens Counties to Pend Oreille County. While this route does not offer direct benefits to Okanogan County, it does enhance availability to remote areas without current fiber infrastructure.

**9. Future Planning**

Town Hall meetings to discuss rates are tentatively scheduled as follows, pending available venues:

Okanogan	6:00 p.m. April 6	PUD Auditorium
Brewster	6:30 p.m. April 7	Location Pending
Oroville	6:30 p.m. April 8	Location Pending

Other potential meeting dates are April 27, 28, 29 in the event suitable locations cannot be found for the above dates and locations.

Additional regular Board meetings were scheduled for June 15, 29; July 13, 27; August 17, 31; September 14, 28.

**9. Meetings**

Commissioners Womack, Bolz and Butler traveled on February 25, 2010 to attend Strategic Planning meetings in Leavenworth on February 26 – 27, 2010.

Commissioner Bolz attended WPUDA meetings in Olympia February 17-19, 2010.

Commissioner Butler attended WPUDA meetings in Olympia February 17-19, 2010.

Commissioner Womack attended an eminent domain hearing on the Methow Transmission Project in Okanogan County Superior Court February 24, 2010.

The Regular Meeting recessed at 2:22 p.m.

**IV. Executive Session**

The regular meeting was recessed at 2:22 p.m. and reconvened into executive session at 2:30 p.m. to review the performance of a public employee pursuant to RCW 42.30.110(1)(g), and 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 3:00 p.m. the executive session was recessed with no public announcement.

**V. Adjournment**

There being no further business to discuss, the meeting was adjourned at 3:00 p.m.

\_\_\_\_\_  
David A. Womack, President

\_\_\_\_\_  
Ernest J. Bolz, Vice-President

ATTEST:

\_\_\_\_\_  
Trish Butler, Secretary