

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County
Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
April 20, 2010
2:30 p.m.**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: John Grubich, Doug Adams, Don Coppock,
Janet Crossland, Derek Miller, John MacDonald,
Fred Burke (executive session), Julie Pyper
Other: Michael Howe - Legal Counsel
Public: Richard Rodruck – PURMS
Bomi Bharucha, Herb Wandler
& Lael Duncan – North Valley Hospital
Sheila Corson - The Chronicle

Summary Agenda

- I. Call to Order – 2:30 p.m.
- II. Pledge of Allegiance
- III. Business Meeting
 1. Review of Agenda
 2. Approval of Consent Agenda
 - a) Minutes of 4-6-10
 - b) Vouchers
 - c) Transfer of Accounts
 3. Public Comment
 4. Unfinished Business
 5. New Business
 - a) Resolution No. 1505 – Establishing New Internet Rates
 - b) North Valley Hospital Work Order
 6. Manager’s Report
 7. Treasurer Report
 8. Other Business
 9. Future Planning
 10. Meetings
- IV. Executive Session
- V. Adjournment

I. Call to Order

Commission President David Womack called the regular meeting to order at 2:30 p.m.

II. Pledge of Allegiance

Commissioner Womack led the Pledge of Allegiance.

III. Business Meeting

1. Review of Agenda

Commissioner Womack noted a 45 minute executive session would be held immediately following the regular business meeting for the purpose of discussing litigation, with no action anticipated.

A discussion with representatives of the North Valley Hospital pertaining to a work order prepayment will be added as an additional item under new business.

As part of the General Manager’s report, a GPS demonstration will take place in the field following the executive session.

2. Approval of Consent Agenda Items

a) Minutes

Minutes of the April 6, 2010 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$1,750,944.96 were submitted for approval.

c) Transfers of Accounts

Transfers of accounts in the amount of \$4,364.88 were 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) Resolution No. 1505 – Establishing New Internet Rates

General Manager John Grubich presented Resolution No. 1505 establishing new Internet rates on the District’s telecommunication system effective May 1, 2010, without affecting the terms of existing written contracts.

Grubich provided a brief history of Internet bandwidth rates and noted that the purpose of the new rate structure is to pass on to retail providers the cost savings the District has experienced through a recent contract revision with its provider.

Commissioner Bolz moved to approve Resolution No. 1505 establishing new Internet rates on the District’s telecommunication system. Commissioner Butler seconded the motion, which carried unanimously.

b) North Valley Hospital Work Order

North Valley Hospital District Commissioners Lael Duncan, Herb Wandler and CFO/Acting Administrator Bomi Bharucha requested consideration in the form of a waiver of the PUD’s fee to install service to their new hospital addition (\$19,714 prepayment due at this time on an estimated \$35,428 work order). They stated that waiver of the connection fee would be a significant contribution toward completing their project within budget, which would also benefit hospital and PUD customers. Further, they believe the prohibition against lending of State (public) credit exempts organizations that provide certain aid to the poor and infirm.

For discussion purposes the parties agreed to waive the conflict of interest issue with regard to legal counsel Michael Howe, who represents both Districts. Commissioner Butler then formally moved to waive the conflict of interest on behalf of Okanogan PUD in order to allow legal counsel Michael Howe to participate in discussions regarding North Valley Hospital District’s work order prepayment waiver request. Commissioner Bolz seconded the motion, which carried unanimously.

Following discussion and Attorney Howe's affirmation that the poor and infirm exception clearly applies in this instance, Commissioner Bolz moved to waive the total work order prepayment of \$19,714 for North Valley Hospital on the basis that the hospital is a non-profit organization that serves clientele that are sick and many times impoverished. There was no second to the motion.

Commissioner Butler moved to authorize a five-year payment plan with North Valley Hospital for the \$19,714 prepayment portion of work order number 20090151. Commissioner Bolz seconded the motion, which was amended to state there would be no interest charged and the five equal payments would be paid on an annual basis commencing in 2010. The motion as amended carried unanimously.

6. Manager's Report

General Manager John Grubich reported:

- Grubich entered into a contract with ThyssenKrupp Elevator Corporation in the amount of \$273 per month for maintenance of the elevator in the new headquarters building. The five-year contract term will commence in one year.
- Grubich and Don Coppock gave an abbreviated rate presentation at the Oroville Senior Center earlier today.
- Grubich and Coppock will meet with Friends of Alta Lake on April 29 to discuss the proposed rate impact on irrigation loads.

7. Treasurer Report

Treasurer Janet Crossland reported on March 2010 financial transactions. The District began the month with a combined total of cash and investments on hand of \$20 million. After factoring in cash receipts, maturing investments and warrants paid, the District ended March with \$19 million in cash and investments and \$9.4 million available for operations.

8. Other Business

No other business items were presented.

9. Future Planning

Commissioner Womack requested that General Manager Grubich schedule James Rowland to present a summary of legislative events at a future Board meeting.

10. Meetings

Commissioner Bolz attended PUD rate presentations on April 6 in Okanogan, April 7 in Brewster, and April 8 in Oroville. He traveled to Seattle on April 13 to attend a NoaNet meeting on April 14. He also traveled to Olympia on April 15 to attend WPUDA meetings and a retirement dinner honoring WPUDA Executive Director Steve Johnson, returning home on April 16.

Commissioner Butler attended PUD rate presentations on April 6 in Okanogan, April 7 in Brewster, and April 8 in Oroville. She also traveled to Olympia on April 14 to attend WPUDA meetings and a retirement dinner honoring WPUDA Executive Director Steve Johnson on April 15, returning home on April 16.

Commissioner Womack attended PUD rate presentations on April 6 in Okanogan, April 7 in Brewster, and April 8 in Oroville. He met with auditors of Moss Adams on April 13 regarding the District's 2009 financial audit. He also attended the April 15 ruling of Judge Burchard in the Methow Valley Transmission Project eminent domain case involving landowners Dan Gebbers and Trevor Kelpman.

IV. Executive Session

The regular meeting recessed at 3:21 p.m. and reconvened into executive session at 3:26 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 45 minutes, with no action anticipated.

At 4:10 p.m. the executive session was recessed with no public announcement.

V. Adjournment

With there being a postponement of the GPS demonstration and no further business to discuss, the meeting was adjourned at 4:10 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary