

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County
Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
May 4, 2010
2:30 p.m.**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: John Grubich, Don Coppock, Ron Gadeberg,
Derek Miller, Leroy Parten, Tina DeLap
Other: Michael Howe - Legal Counsel
James Rowland – The Rowland Company
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 4-20-10
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) Employee Service Awards
 - b) Resolution No. 1506 – Electric Rate Schedules
 - c) Legislative Update – James Rowland
 - 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 2:30 p.m.

II. Pledge of Allegiance

Commissioner Womack led the Pledge of Allegiance.

III. Business Meeting

1. Review of Agenda

Commissioner Bolz moved to approve the agenda as presented. Commissioner Butler offered a second to the motion, which carried unanimously.

2. Approval of Consent Agenda Items

a) Minutes

Minutes of the April 20, 2010 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$2,763,994.06 were submitted for approval.

c) Transfers of Accounts

No transfers were submitted for approval.

Commissioner Butler moved to approve the consent agenda as presented. Commissioner Bolz offered a second to the motion. Upon the vote, the motion carried unanimously.

3. Public Comment

No public comments were offered.

4. Unfinished Business

No unfinished business items were presented.

5. New Business

a) Employee Service Award

General Manager John Grubich introduced System Engineer Leroy Parten, who has been employed with the District for 30 years. Leroy is responsible for coordinating electrical system components, making recommendations to the Chief Engineer regarding system upgrades and monitoring electric load flows.

b) Resolution No. 1506 Amending Electric Rate Schedules

General Manager John Grubich presented Resolution No. 1506 amending District electric rate schedules to incorporate the results of the recently completed Equity Management Plan and 2010 Rate Study. It is staff's recommendation to implement three, 6.5% revenue increases over the next three years to improve the District's financial stability and bring rates more in line with costs of service.

Following discussion and two modifications, Commissioner Butler moved to approve Resolution No. 1506 as amended. Commissioner Bolz offered a second to the motion, which carried with unanimous approval.

It was noted that a policy to address rates charged to customers with multiple meters at the same location will be researched in 2011.

c) Legislative Update – James Rowland

Lobbyist James Rowland provided an overview of this year's State legislative session. Over 2,400 bills were introduced, many geared toward increasing State revenues. Some of the defeated proposals included taxing utilities on Renewable Energy Credits (REC's); charging utilities privilege taxes for power generation, transmission and distribution; and adding a B&O tax on energy. A bill to add sales tax on woody biomass fuel used to generate power was approved.

Rowland also noted that sixteen Washington State elected officials have announced they will not run for re-election this year. Three of those positions are in the Senate and thirteen are in the House of Representatives.

6. Manager's Report

Power Resource Manager Ron Gadeberg gave a brief overview of power sales for April, 2010. Revenues were below budget estimates for April; however they are in-line with year-to-date budget figures. The volume of sales is down but prices are up, leveling the financial impact.

General Manager John Grubich reported:

- A contract amendment was executed with Tetra Tech extending the existing contract expiration date from April, 2010 until December 31, 2010.
- An agreement was signed with Loomis Ag Services for weed control in an amount not to exceed \$12,000.
- District staff met with representatives of the Washington State Parks Department and Friends of Alta Lake regarding the impact of proposed rates on homeowners at Alta Lake. Pumping charges to maintain water levels in the lake potentially fall into the General Services rate category and the Irrigation rate category. A complete review of

account characteristics will be made to identify their appropriate rate class.

- The District has applied for a Conditional Use Permit for additional parking space behind the new headquarters building.
- A problem with installation and inspection of server room fire suppression equipment will delay move-in to the new headquarters building until June 1, 2010. The District will have 30 days to vacate the old building after receiving keys to the new building. Final costs for construction augmentations will be discussed at the next Board Meeting.
- Chief Engineer Derek Miller reported on multiple outages that occurred on Monday, May 3rd. Customers in the Omak Sand Flats area experienced a one-hour outage caused by a fire at the base of a transmission pole. High winds caused outages in the Tonasket, Pine Creek and Conconully areas. District crews were commended for their fast and efficient responses, which minimized outage times.

7. Other Business

No other business items were presented.

8. Future Planning

No future planning items were presented.

9. Meetings

Commissioner Bolz attended a Superior Court Summary Judgment Hearing in Okanogan on April 30th.

Commissioner Butler attended PURMS meetings in Seattle on April 26th & 27th, as well as the Superior Court Summary Judgment Hearing in Okanogan on April 30th.

Commissioner Womack drove to Richland on April 20th to attend an Energy Northwest meeting on April 21st. Womack also attended the Superior Court Summary Judgment Hearing in Okanogan on April 30th and attended a meeting with General Manager John Grubich on Monday, May 3rd.

IV. Executive Session

Commissioner Womack noted an Executive Session would not be held.

V. Adjournment

The regular meeting adjourned at 4:05 for meeting participants to view a brief demonstration of GPS systems installed in District vehicles.

The regular meeting resumed at 4:20 p.m. With there being no further business to discuss, the meeting was adjourned at 4:21 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary