Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Okanogan County  
Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
September 25, 2017  
2:30 PM

Present: Board: Scott Vejraska, Steve Houston, Jerry Asmussen  
Staff: Don Coppock, Ron Gadeberg, Dan Boettger, John MacDonald, Bill Ingram, Julie Pyper, John Grubich  
Other: Heidi Appel - General Counsel  
Joshua Adrian – Duncan, Weinberg, Genzer, Pembroke (executive session teleconference)  
Mike Marthaller

Summary Agenda

I. Call to Order
II. Executive Session – 2:30 PM
III. Business Meeting – 3:00 PM
1. Pledge of Allegiance
2. General Manager – John Grubich
3. Review of Agenda
4. Approval of Consent Agenda
   a) Minutes of September 11, 2017 Regular Meeting
   b) Vouchers
   c) Transfer of Accounts
5. Unfinished Business
6. New Business
   a) Resolution No. 1644 – Declaring Equipment Surplus
7. Manager’s Report
   a) Administrative
   b) Engineering and Operations
   c) Financial
   d) Power
   e) Telecom
8. Other Business
9. Public Comment
10. Future Planning
    a) Schedule Budget Meetings
11. Meetings
IV. Executive Session
V. Adjournment
I. Call to Order

Commission President Scott Vejraska called the regular meeting to order at 2:30 p.m. and announced that the Commission would be convening into executive session under RCW 42.30.110(1)(g) [for the purpose of reviewing the performance of a public employee]. The subject of the session, John Grubich, requested that the discussion be kept in the public meeting and on the record pursuant to RCW 42.30.110(1)(f), which concerns specific complaints or charges brought against an employee and which, at the request of the employee, must be discussed in open session.

Following discussion, the agenda was amended to move the John Grubich discussion to the business meeting portion of the agenda under item 2. The executive session scheduled at 3:00 p.m. was moved up on the agenda.

II. Executive Session

The regular meeting was recessed at 2:35 p.m. and immediately convened into executive session to discuss with legal counsel representing the District legal risks of current or proposed action, pursuant to RCW 42.30.110(1)(i). The executive session was expected to last 30 minutes, with no action anticipated.

The executive session recessed at 2:58 p.m.

III. Business Meeting

President Vejraska reconvened the regular meeting at 3:03 p.m.

1. Pledge of Allegiance:

Meeting participants recited the Pledge of Allegiance.

2. General Manager – John Grubich:

John Grubich addressed the Commissioners regarding a September 19, 2017 letter he received from Commission President Scott Vejraska pertaining to potential personnel action and an invitation to present at the Commission meeting. Grubich questioned if the letter will be posted on the website so that it is a public record for the ratepayers of Okanogan PUD to understand the Board’s position. Vejraska responded that the letter would be made a public record.

Grubich stated that the letter detailed four items, including two contracts that he signed with IDCS (Idaho Consulting Solutions LLC) during the Carlton Complex fire; one conduct incident on August 1, 2017 at the Okanogan Substation; and assisting the Town of Twisp in bringing emergency generation for their critical infrastructure into working order. **IDCS**: Grubich said he was candid and transparent with the Board, and believed he had the authority to enter into the contracts because of the emergency situations. With time of the essence, he indicated that he moved forward with re-establishing telecommunications, as there was only one feed out of the county, to the north, and for a 14-hour period there was no communication – landline or cell.
Twisp: During the fires, the Twisp Mayor was concerned about the town’s critical infrastructure. Grubich offered the PUD’s help with installation if the town was able to obtain a grant for back-up generators. Substation: Two Board members were present and witnessed the situation of unauthorized people in the substation during an outage, including Maurice Goodall. Grubich said that Goodall had no business being in the substation so he took the actions he felt were necessary at that time to get him to leave the substation and allow the line superintendent to re-establish control and address the outage.

Discussion ensued between the Board of Commissioners, General Counsel Heidi Appel and Grubich. Commissioner Houston then moved, seconded by Commissioner Asmussen, as follows: By letter dated September 19, 2017, President Vejraska gave notice to Mr. Grubich that the Commission was contemplating a possible for cause termination of his employment. Mr. Grubich and his counsel have been given the opportunity to address the Commission at today’s meeting. I hereby make a motion that, based on substantial evidence considered by the Commission, cause exists to terminate Mr. Grubich’s employment. The motion carried unanimously.

3. Review of Agenda:

There were no amendments to the Agenda. President Vejraska announced that an executive session would be held at the conclusion of the meeting.

4. Approval of Consent Agenda:

a) Minutes
The Minutes of the September 11, 2017 regular meeting were submitted for approval.

b) Vouchers
The following Vouchers were submitted for approval:
   Numbers 144315 through 144377 in the amount of $312,056.08; and
   Numbers 1542, 1543 and 144378 through 144392 in the amount of $295,408.99; and
   Numbers 1544 through 1546 and 144393 through 144476 in the amount of $2,539,947.22

c) Transfers of Accounts
Account transfers totaling $13,753.67 were submitted for approval.

Commissioner Houston moved, seconded by Commissioner Asmussen, to approve the Consent Agenda. The motion carried with unanimous approval.

5. Unfinished Business:

No items of unfinished business were presented for discussion.

6. New Business:

   a) Resolution No. 1644 – Declaring Equipment Surplus
Acting General Manager Don Coppock presented Resolution No. 1644 for the purpose of
declaring vehicles surplus and authorizing the sale or disposal thereof in a manner that is
determined by staff to be in the best interests of the District. At the recommendation of staff,
vehicle 423 (small bucket truck) will be retained in the fleet an additional year and removed from
the list of surplus vehicles introduced at the last meeting.

Commissioner Houston moved, seconded by Commissioner Asmussen, to adopt Resolution No. 1644. The motion carried unanimously.

7. Manager’s Report:

a) Administrative
Acting General Manager Don Coppock reported that he executed a Professional Services Agreement with Tobias International, Inc. in an amount not to exceed $7,200. Network Manager/Engineer John MacDonald addressed the scope of work of the Agreement, which includes consulting services for the purpose of performing a health check to evaluate the current operation of the SolarWinds modules.

Coppock executed a Mutual Aid Agreement for the Washington PUD 2017-18 storm season.

Coppock also executed a two-year renewal of the District’s Energy Conservation Agreement with Bonneville Power Administration in the amount of $923,402. An additional, $40,000 was added to Okanogan PUD’s implementation budget to reflect a bilateral transfer from Ferry PUD.

The District will be represented at the Nespelem Valley Electric Cooperative annual meeting on October 6, 2017 by Ron Gadeberg and Dale Dunckel.

District representatives Steve Houston and Don Coppock will attend the annual PUD legislative luncheon in Colville on October 18, 2017.

Director of Regulatory and Environmental Affairs Dan Boettger reported on the Order issued September 20, 2017 by the Federal Energy Regulatory Commission, which grants Okanogan PUD a two-year stay and delays the start of construction of the Enloe Dam Hydroelectric Project until July 9, 2019.

b) Engineering and Operations
Acting General Manager Don Coppock reported that the PUD/City street lighting project is nearing completion, with the Michels crew currently working in the Omak/Okanogan area.

Coppock noted there will be a six-hour power outage on September 28, 2017 connected with the Pateros-Twisp transmission line project.

c) Financial
Director of Accounting, Finance and Administration/Acting General Manager Don Coppock provided a budget overview and customer statistical and financial report comparison of the Equity Management Plan (2017 version) to actuals for the 12-month period ending July 31, 2017. The report also included a recap of the Carlton Complex Fire and the Okanogan Complex Fire. Additionally, Broadband customer statistics were provided for a comparison of trends from
2013 to date. Detailed information is available on the District’s website.

d) Power
Director of Power Resources and Broadband Services Ron Gadeberg reported that wholesale power sales are currently $85,000 to the positive. A full report will be available at the October 9, 2017 Commission meeting.

e) Telecom
A telecom report was not provided.

8. Other Business:

No items were presented for discussion as other business.

9. Public Comment:

Mike Marthaller introduced himself as an Oroville area resident.

10. Future Planning:

a) Schedule Budget Meetings
Special meetings for the purpose of conducting budget workshops were scheduled at 6:00 p.m. on October 23 and November 6 and 20, 2017.

The next regularly scheduled Commission meeting is October 9, 2017 at 2:30 p.m., with the first item of business being a 30-minute executive session followed by the regular business meeting at 3:00 p.m.

11. Meetings:

Commissioner Asmussen attended a tour of Douglas PUD’s Wells Dam and Fish Hatchery on September 13, 2017 and also provided auctioneer services at the Washington PUD Association (WPUDA) Community Cares Charitable Auction in Wenatchee on September 14, 2017. He attended WPUDA meetings at Douglas PUD in East Wenatchee on September 13-15, 2017 and was asked to serve on the WPUDA Budget Committee, which meets next month in Olympia. Asmussen reported that WPUDA unanimously passed a resolution in support of Okanogan PUD’s electrification of Enloe Dam.

Commissioner Houston attended a tour of Douglas PUD’s Wells Dam and Fish Hatchery on September 13, 2017 and meetings of WPUDA on September 13-14, 2017 at Douglas PUD in East Wenatchee. He participated in conference calls on September 14-15, 2017 at the District headquarters pertaining to Enloe Dam and NOAA. Houston also attended a Senator Maria Cantwell Town Hall event in Wenatchee on September 22, 2017.

Commissioner Houston requested that next meeting’s agenda include a discussion on Okanogan PUD providing a letter of support to Douglas PUD regarding its decision to move forward with taking back its operations at the Wells and Methow hatcheries.
Public Power Week will be celebrated October 2-6, 2017 with Okanogan PUD’s conservation and marketing staff visiting all District offices throughout the week.

IV. Executive Session:

The regular meeting was recessed at 4:18 p.m. and convened into executive session at 4:30 p.m. to discuss with legal counsel representing the District legal risks of current or proposed action, pursuant to RCW 42.30.110(1)(i), and for the purpose of reviewing the performance of a public employee, pursuant to RCW 42.30.110(1)(g). The executive session was expected to last 65 minutes with no action anticipated. At 5:45 p.m. the executive session was extended 15 minutes.

The executive session recessed at 6:00 p.m.

V. Adjournment:

There being no further business to discuss, the meeting was adjourned at 6:00 p.m.

Scott Vejraska, President

ATTEST: Steve Houston, Vice-President

Jerry Asmussen, Secretary