

**Minutes of Regular Commission Meeting of  
Public Utility District No. 1 of Okanogan County**

**Okanogan PUD Auditorium  
1331 2<sup>nd</sup> Avenue North, Okanogan, WA  
September 9, 2008  
1:30 PM**

**Present:** Board: Ernest Bolz, Trish Butler, David Womack  
Staff: John Grubich, Don Coppock, Ron Gadeberg, Derek Miller,  
Dan Boettger, Jeff Deason, Steve Brown, Tina DeLap  
Attorney: Michael Howe  
Public: Sheila Corson - The Chronicle; Mark Raymond, James Blackledge,  
Kurt & Pearl Ramke, Marcy Stamper, Sharon Bolz

**Summary Agenda**

- I. Call to Order
- II. Business Meeting – 1:30 p.m.
  - 1. Approval of Agenda
  - 2. Approval of Consent Agenda
    - a) Minutes of 9-9-08
    - b) Vouchers
    - c) Transfer of Accounts
  - 3. Public Comment
  - 4. Unfinished Business
  - 5. New Business
    - a) Employee Service Awards
    - b) Bid No. 356-08, Purchase of Distribution Transformers
    - c) Bid No. 355-08, Brewster Substation Electrical Additions
    - d) Professional Service Agreement for Architectural Services
    - e) Resolution No. 1468 – Acquisition by Eminent Domain
    - f) Resolution No. 1469 – Employee Contribution Plan Administrators
    - g) Resolution No. 1470 – Architect Selection
  - 6. Manager’s Report
  - 7. Other Business
  - 8. Future Planning
  - 9. Meetings
- III. Executive Session
- IV. Adjournment

**I. Call to Order – Pledge of Allegiance**

President Bolz called the Regular meeting to order at 1:30 p.m. The Pledge of Allegiance was recited.

**II. Business Meeting, 1:30 p.m.**

**1. Approval of Agenda:**

Commission President Ernest Bolz requested the deletion of **New Business** items d) Professional Service Agreement for Architectural Services; and g) Resolution No. 1470 – Architect Selection from the Agenda. **New Business** item e) Resolution No. 1468 Acquisition by Eminent Domain was moved to be the second item of **New Business** to accommodate members of the public interested in attending this portion of the meeting. Public Comments will be presented during the discussion of Resolution No. 1468.

Commissioner Butler moved, seconded by Commissioner Womack, to approve the Agenda as amended. The motion carried unanimously.

**2. Approval of Consent Agenda Items:**

**a) Minutes:**

Minutes of the August 26, 2008 regular meeting were submitted for approval.

**b) Vouchers:**

Vouchers in the amount of \$2,739,678.14 were submitted for approval.

**c) Transfers of Accounts:**

No account transfers were submitted for approval.

Commissioner Womack moved to approve the Consent Agenda. Commissioner Butler seconded the motion. Upon the vote, the motion received unanimous approval.

**3. Public Comment:**

Commissioner Bolz requested that public comments pertaining to Resolution no. 1468–Acquisition by Eminent Domain be submitted during discussion of that agenda item. No general public comments were offered.

**4. Unfinished Business:**

No unfinished business items were presented.

5. **New Business:**

a) **Employee Service Awards**

Janet Funston was introduced to the Board and honored for 15 years of employment with the District. Funston began her career with the District in 1993 and served as the District's Payroll Clerk until assuming the position of Financial Analyst in 2006. Mechanic Bill Johnson, hired by the District in 1978, was commended for keeping the District fleet running smoothly for the past 30 years. Johnson noted he has seen many changes in his field over the past 30 years with the District. Meter Clerk Rob Chilcote was honored for 5 years of service to the District. Chilcote's service territory encompasses the Central area, including Omak, Okanogan, Conconully, Riverside and Tunk Valley.

b) **Bid No. 356-08, Purchase of Distribution Transformers**

Chief Engineer Derek Miller summarized bid responses for Distribution Transformers. Prices varied by respondents for different sized transformers. Staff recommended choosing the lowest bidder for each type of transformer purchased.

Commissioner Womack entered a motion to award the purchase of transformers to the lowest bidders per bid specifications. Commissioner Butler offered a second to the motion, which carried unanimously.

c) **Bid No. 355-08, Brewster Substation Electrical Additions**

Chief Engineer Derek Miller noted this item was previously bid, but received no responses. Following modifications and resubmission of bid specifications, the District received one response on this package.

Commissioner Butler moved to award Bid No. 355-08 to Prater Electric Inc. in the amount not to exceed \$497,000.00. Commissioner Womack seconded the motion, which carried with unanimous approval.

d) **Resolution No. 1468 – Acquisition by Eminent Domain**

Legal Counsel Mick Howe outlined laws governing the rights of eminent domain for public entities. The District is attempting to acquire only easements and rights of way deemed essential and necessary minimal rights needed for construction and maintenance of a transmission line serving the Methow Valley.

Resolution No. 1468 will be tabled until the September 30, 2008 Board meeting.

**Public Comment Pertaining to Resolution No. 1468 – Acquisition by Eminent**

**Domain:**

Kurt Ramke of Twisp questioned the validity of easements signed by previous landowners, and the placement of marker stakes on his property. Legal counsel Mick Howe noted in most cases existing easements transfer along with ownership of the property. Chief Engineer Derek Miller will meet with landowners to discuss placement of engineering stakes.

Jim Blackledge of Twisp expressed concerns regarding public use of a private road. Mr. Blackledge was advised that the PUD had mitigation measures in place to protect quality of roads used for construction and maintenance of the transmission line.

**e) Resolution No. 1469 – Employee Contribution Plan Administrators**

General Manager John Grubich introduced Resolution No. 1469, which authorizes the General Manager to enter into a contract with other vendors to administer the District’s 401(a) plan. Employees currently have two options for their 457(b) deferred compensation plan, however only one vendor is authorized to administer the company matching fund 401(a) plan. This resolution authorizes the General Manager to enter into a contract with the other 457(b) plan administrator so employees using that administrator can have their matching funds managed and reported by the same vendor they use for their 457(b) deferred compensation plan.

Staff will interview potential plan administrators for qualifications, availability and products offered.

Commissioner Womack moved to adopt Resolution No. 1469. Commissioner Butler offered a second to the motion, which passed unanimously.

**6. Manager’s Report:**

The District has submitted a good faith estimate to Bonneville Power Administration (BPA) for Block/Slice purchases. Current breakdowns are 60% Slice / 40% Block. The District and other Slice CEO participants are requesting a good faith estimate of 70% Slice / 30% Block for the contract period of 2012 – 2028.

BPA submitted a new Exhibit C to our current contract, which is a yearly update to replace the current Exhibit C which expires at the end of this month. A self-supply of operating reserves letter was also submitted to BPA.

District staff met with the Winthrop Co-Op to discuss testing AMR meters. Installation of test meters will begin this week.

**7. Power Report:**

Power Resource Manager Ron Gadeberg noted August power sales were above budgeted amounts. Pricing remains consistent with expectations. Wholesale and retail revenues remain strong.

**8. Other Business:**

No Other Business items were presented.

**9. Future Planning:**

A Board Meeting has been set for September 30, 2008, replacing the meeting originally scheduled for September 23, 2008.

Richard Cuthbert of R.W. Beck is scheduled to be on site in October to conduct a workshop on the ratemaking process and cost of service studies. The Workshop will take place from 11:30 – 1:30 p.m. in conjunction with the October 14, 2008 Board meeting.

**10. Meetings:**

Commissioner Womack thanked Energy Services staff, linemen and other District volunteers for their efforts at this year's County Fair. This event received a great deal of positive feedback from community members.

Commissioner Butler noted a visiting exchange student from Switzerland went to the Fair and was impressed with the PUD presentations.

WPUDA meetings will be held September 17 – 19, 2008 in Port Angeles.

The next regularly scheduled Board Meeting will take place Tuesday, September 30, 2008 in the Okanogan PUD auditorium beginning at 1:30 p.m.

**IV. Executive Session**

The regular meeting was recessed and reconvened into executive session at 2:45 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).

It was expected the executive session would last approximately thirty minutes, with no action anticipated.

At 3:15 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 3:15 p.m.

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Ernest J. Bolz, President

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Trish Butler, Vice-President

ATTEST:

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David Womack, Secretary