APRIL BOARD MEETING

April 26, 2011

Present: Dick Garing, Dale Sekijima, Ron Perrow, Paul Taylor, Kent Hitch, Pat Leigh and Frank Kline. Via Conference Call Bud Hover and Ardis Bynum.

Attending: Doug Adams; Interim Manager, Lynn Northcott, Office Manager; Nilsine Harris; Office Staff, Don Clutter, Engineer Manager; Gina Monteverde; Office Staff .

Guest: Lew Blakeney, Small Business Development Center Loan Fund; Kristi Laquzza Boosman, and Rich Watson, Methow Valley Community Preparedness; Gil Sparks, Ogden Murphy Wallace PLLC, OCEC Attorney; Ann McCreary, MV Newspaper.

Members In Attendance: Ray Peterson, Mike Shirley, Rita Anderson, Pete Delong, Charlie Ryan, Joe Caillier, Betsy Cushman and Ellen Lamiman.

PRELIMINARY

1. Meeting called to Order

   Bud Hover called the meeting to order of the Board of Directors of Okanogan County Electric Cooperative, Inc. (OCEC) to order at 7:04pm. Bud asked Frank to run the meeting since he was on the phone via conference call.

2. Determination of quorum.

3. Vice President Frank Administered the Oath of Directors to the newly elected Directors; Dale Sekijima, Kent Hitch and Ardis Bynum via phone.

4. Election of the Officers:

   Frank called for nominations for President. Pat nominated Don as President, Second. Carried. Don was elected President by acclamation.

   Frank opened the nominations for Vice President. Dick nominated Frank, Second. Carried. Frank was elected Vice President by acclamation.

   Frank called for nominations for Secretary. Paul nominated Kent, Ardis Seconded. Dick nominated Dale, Frank seconded. Frank asked for a motion; motion failed. Kent was elected as Secretary.

APPROVAL OF AGENDA

Frank Kline asked that item 10-CFC Loan Opinion letter be moved to Item 1, Paul motion to except the agenda as amended. Second. Carried.

CONSENT AGENDA

Frank Kline asked for a motion for the consent agenda to be approved. Kent Hitch requested that Item 3-Form 7 & Item 4-Statement of Operations be moved to Items of business. Ron requested that item 5-Status of funds also be moved to Items of business. Second. Carried.

1. Form 7

   Kent indicated that we are $40,000 to $47,000 under budget year to date. Kent stated that any request for money brought to the table needs to be looked at.

   Don stated the budget is not abnormal for this time of year. Don asked Doug Adams for his comment on this topic. Doug Adams stated he is not concerned at this time. You normally start to look in September, but we should keep our eye on the financials.

   Frank commented that this is a budget and that is why we wait until the end of the year to square up the books. He reminded the Board that this is member-owned utility. Frank noted that there is an amount allotted for Capital Credit payouts in the Budget.

   Frank asked if there was any more concern about these items on the Agenda.
   Pat asked about the $200,000 difference in debt load from 2010 end of year to January 2011. Lynn indicated loan fund were drawn in January. Pat commented that the Board needs to keep closer tabs on this.

   Frank believes that a Finance committee should be formed with a management team. Dale commented this discussion has taken around 50 minutes and should be brought up with a Finance Committee. Pat asked if they can form that Committee now, Frank reminded all we have an agenda and are trying to run a business. It will be put on the agenda next month.

Meetings Attended

1. Union Negotiations – March 23 & 24, April 26 - Gil Sparks stated that he will talk to the Board of Directors in Executive Session.

2. Pacific Northwest Generating Cooperative – April 5 & 6 - Frank spoke on behalf of Ken Westman. PNGC's main concern is the 4 year contract signed with Bonneville Power Association (BPA) that starts in October 2011. BPA is asking PNGC for a 2016 contract; June is when the negotiations will start and it is vital that we are represented by PNGC.

3. Northwest Public Power Association - Engineering & Operations conference - Don Clutter updated the board on the E&O conference.

4. Washington Rural Electric Cooperative Association – April 12 - Frank spoke for Ken Westman. He reminded the Board the Annual Meeting was coming up in June and it is important that we are represented.

Meetings to Attend

1. PNGC – April 27 - Conservation Webinar, Doug and Gina Monteverde will be attending the Webinar and any Board member can attend.

2. National Rural Electric Cooperative Association Legislative Conference – May 2 Thru 5 - Don will be attending.

3. PNGC – May 10 & 11 - will be discussed in update on operations.

4. Union Negotiations – May 10 & 11 - will be discussed in Executive session.

Update on Operations

1. Doug Adams stated that Lynn has Resolutions to present. Resolution 2011-01 banking resolution- Farmers State Bank and North Cascade National Bank.

   This Resolution will remove Ray Ellis and Ken Westman as signers on the accounts and two more signers are needed. Kent Hitch and Ardis Bynum were appointed. Ardis moved to accept, Resolution 2011-01.Second. Carried.
   Resolution 2011-04 Cooperative Finance Corporation authorized Agents Lynn N and Doug Adams. Ron moved to accept Resolution 2011-04. Ardis Second. Carried.

2. Doug Adams asked the board for their support in writing a letter to Bonneville Power Association supporting Wind Curtailment/Over-Generation 2011. Ardis moved to accept. Second. Carried.

3. Doug Adams would like to get moving on the search for a new manager. Doug Adams asked for volunteers from the Board. Ardis, Dale, Paul, Dick and Don volunteered to serve on the committee.

4. Doug Adams stated that the Residential Exchange Program failed, be prepared to see this back in May for approval.

5. Lynn Northcott asked that Resolution 2011-05 Cooperative Finance Corporation Loan Opinion letter be approved. Ron moved to accept, second. Carried.

6. PNGC – Doug Adams asked that Resolution 2011-02 PNGC certificate of Designated Member Representative and/or Alternate be approved. Frank moved to accept our current interim Manager Doug Adams be our representative. Ardis made a motion to accept. Ardis moved to select Dale as Alternate. Second. Carried.

7. WRECA –Doug Adams reported we need new representatives, a voting Delegate and an alternate. Ron volunteered to be the primary delegate and Ardis volunteered to be the Alternate. Paul moved to accept. Second. Motion carried.

8. Methow Valley Community Preparedness Committee – A presentation was given by Kristi Boosman, Lew Blakeney and Rich Watson. The presentation requesting that they partner with OCEC in preparing applicants for Revolving Loan Fund requests.

9. Net Metering Solar Policy NO.30-420 revision. Pat moved to accept. Second. Carried.

10. Conservation Committee Report – Gina reported the committee's progress to the board.

11. Policy No. 40-080- IT Security Policy. Ron moved to accept. Second. Carried.

12. Lynn reported that Twisp Public Development Authority declined OCEC's Revolving Loan Fund offer.

13. Lynn asked that Round-Up contract with The Cove be signed. Ron moved to accept. Second. Carried.

14. Item's number 9 & 11, Demand Response and By Law Revision have been tabled.

Meeting adjourned to executive session at 8:35 PM.

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Kent Hitch, Secretary