BOARD MINUTES

February 1, 2010

President Craig Boesel called the Special Board meeting of the Board of Directors of Okanogan County Electric Cooperative Inc., to order at12:05 pm.

Present: Richard Erickson, Ken Westman, Jeremy "Nim" Titcomb, Lee Pilkinton, Frank Kline, Dick Garing, Deed Fink and Craig Boesel.

Absent: Don Hover.

Attending: Ray Ellis; General Manager, Lynn Northcott, Office Manager; and Terry Karro, co-op attorney.

APPROVAL OF AGENDA

It was requested to add under Items of Business:

4. Irrigation Rates
5. Coop Update – Newsletter

Changing Policy Review to #6 and New Policy to #7 on the agenda.
It was also requested to go right into items of business as two board members needed to leave by 3:00 pm.

Nim Titcomb moved to approve the agenda as revised. Second. Carried.

ITEMS OF BUSINESS

1. Rate Review.

   There was discussion on the rate that was set at the January 26th meeting. Rate scenarios were discussed and reviewed in light of revenue requirements and projected revenues from each scenario. Each director had a chance to voice their opinion and concerns on the rate issue. Directors confirmed their belief that the basic rates as set last fall were most equitable.

Nim Titcomb motioned to change kw demand charge to $2.70 with no minimum demand and change the kwh rate to .384 per kwh. Second. Carried.

For clarification the $40.00 base charge and the new class for second domestic low use meter service were unchanged.

Nim Titcomb motioned to make the removal of the 5 kw demand effective January 01, 2010. Second. Carried.

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Lee Pilkinton motioned to approve Policy 30-105 Schedule B, Second Meter Service as amended.

There was discussion on whether a bill stuffer could be used to inform members of the rate changes, or a mass mailing. Staff will look into this and get the information out ASAP.

2. Special Membership Meeting.

   There was discussion on member attendance at board meetings, member access to information, changes on the agenda and what is proprietary information.

Frank Kline moved to table Special Membership Meeting to the next regular board meeting, stating that he felt this is an important topic and not enough time in this meeting to address this. Second. Carried.

3. Capital Credit Allocation.

   Ray stated that there are many ways to refund capital credits and gave a couple of examples. It was requested to have a presentation at a later meeting.

4. Irrigation Rates.

   Irrigation rates were discussed. It was noted that the member survey done in 2001 overwhelmingly voted to subsidize irrigation rates.

5. Coop Newsletter.

   The Quarterly newsletter, Coop Update will discuss rate issues. Ray invited the directors to participate in the newsletter.

6. Review Policy.

   Policy No. 10 -080 Board Meeting – Rules Governing
   Policy No. 30-110 Rate Schedule A
   Policy No. 30-140 Rate Schedule C
   Policy No. 30-150 Rate Schedule L

Policy No. 10-080 Board Meeting – Rules Governing.
Frank Kline moved to Tabled to next regular board meeting. Second. Carried.

Policies 30- 110, 30-140 & 30-150 were approved with changes under rate review. The Policies will be available at the next regular board meeting for signing.

7. New Policy No. 30-105 Rate Schedule B.

   Policy was approved under rate review.

ELECTRIC BUSINESS

Frank Kline motioned to table all financial reports to the February Board Meeting as the financials were un-audited. Second. Carried.

The Audited financials will be presented at the February Meeting.

Lee Pilkinton moved to adjourn the Special Board Meeting at 2:58 pm.

Richard Erickson, Secretary