BOARD MINUTES

March 23, 2010

President Craig Boesel called the regular monthly meeting of the Board of Directors of Okanogan County Electric Cooperative Inc., to order at 5:00 pm.

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

Absent:

Attending: Ray Ellis; General Manager, Teri Parker; Billing Clerk, Gary Wilson; Line Foreman, Rodger Matlock; LeMaster and Daniels PLLC.

APPROVAL OF AGENDA

Under the Items of Business Ray requested an addition:

8. Smart Grid Grant, and, Ray requested Rodger Matlock be allowed to speak first under the items of business.

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

APPROVAL OF MINUTES

Nim Titcomb moved to accept the minutes as presented. Second. Carried.

MANAGERS REPORT

1. Engineering report: Ray gave an update on cost estimates, the Wolf Creek project and the BPA Demand Pilot Project. He reported on staff attendance at the Cooper Regulator Control Class.
2. Gary Wilson-Line Foreman- Gary gave an update on tree trimming and pole sets.
3. Teri Parker-Billing Clerk- Teri gave an update on office activities.

ELECTRIC BUSINESS

1. Form 7-February 2010 form-Reviewed and a copy attached hereto.
2. Statement of Operations- Reviewed and a copy attached hereto.
3. Status of Funds- Reviewed and a copy attached hereto.
4. Revolving Loan Fund- Reviewed and a copy attached hereto.
5. Power & Service Data- Reviewed and a copy attached hereto.

6. Outage Report- Reviewed and a copy attached hereto.
7. Update on Operations- Presented after Rodger Matlock.

Ray reported the COSA used by OCEC is recognized and used by NRECA, CFC and others as an accepted way to determine costs for a business. He asked permission to attend an NRECA meeting in Washington DC; granted.

Aleka Scott from PNGC contacted Ray to inform him BPA has performed a COSA. BPA has determined their 'fixed' costs and will begin billing their customers a set rate. In the new contract for Tier 1, Bonneville will recover all of its fixed costs which make up 85 % of all expenses. The other 15% of costs will come from energy related sales.

ITEMS OF BUSINESS

1. Rodger Matlock of LeMaster and Daniels PLLC, reviewed OCEC's annual audit results. Reviewed were;
    a. Consolidated Financial Statements
    b. Balance Sheet
    c. Cash Flow
    d. Statement of Revenue
    e. Form 990.

    Rodger reported that no significant or unusual transactions or accounting policies were identified and no problems were found.
2. PNGC Update- Ray reviewed the Wheeler Project and an upcoming Load Forecast workshop. The Northwest is at 65% of normal water and is in the 48th out of 50 worst water years on record. BPA wants to sell OCEC the Winthrop Substation, including an unnecessary capacitor bank located in the substation.
3. Open Board Policy- the Open Board Policy Committee (Ray, Frank, Bud and Nim) presented a draft policy for board review.
4. Communication Plan Proposal. Ray, Ken and Craig met with Communications Specialist, Amy Stork. Amy has experience helping non-profits get information to the public.

    After a discussion period, Frank made a motion to hire Amy at a cost of $1,500.00 to help with OCEC communications up to the Annual Meeting. Second. Carried.
    a. The Board will discuss a vote by mail for 2011.

5. Signature on Policy No. 40-020; High Deductible Health Plan. A clarification was added in regards to the deductible for an Employee with one (1) dependent.

    Don made a motion to accept and sign the policy. Second. Carried.

6. Conservation Committee Report- Ray reports the committee has met two times since forming and is setting goals and strategies. One strategy is the opportunity to apply for a Smart Grid Grant to be administered by PNGC. The grant would require 50% matching funds and would supply software for time of day usage reporting, including the ability for a customer to access real-time usage via the internet, and load control devices.

Don made a motion to pursue the grant as long as there is available time to change their minds if the Board decides this is not in the best interest of the Cooperative. Second. Carried.

7. Smart Grid Grant – See #6 above.
8. Discussion on Policy NO. 30-105- Second Meter – A discussion was held on the original intent of this policy and the potential for abuse. This policy was not intended for multiple use wells.

   Don made a motion to word the policy that a qualifying second meter service is for a single individual domestic well serving one primary residence, and, a service must use under 5 kW and 500 kWh's per month on a fiscal year basis. Second. Carried.

MEETINGS ATTENDED

1. Cooper Regulator Control Class – Spokane WA Feb 17 & 18, Don Clutter, Doug Graybeal, Chris Zahn & Dan Foussard.
2. NWPPA – Frontline Leadership –Reno NV – Feb. 22-25th. Wayne Stevie.
3. PNGC – Portland, OR – April 5-7th, Ray Ellis
4. PPC – Portland, OR – March 3rd – Ray Ellis
5. NWPPA – Credential Director Fast Track – Las Vegas, NV – March 1-5th – Don Hover

MEETINGS TO ATTEND

1. PNGC – Portland OR – March 25th – Ray Ellis, Don Hover, Frank Kline, Ken Westman & Richard Erickson
2. PNGC – Portland OR – April 5-7th – Ray Ellis
3. WRECA – Board Meeting – Spokane, WA – April 5th. Richard Erickson and Ken Westman
4. General Pacific – Portland, OR – Ray Ellis
5. Okanogan County Electric Cooperative, Inc. Annual Meeting. April 19th, Winthrop, WA

NEW MEMBERS

Don Hover motioned to accept the new members. Second. Carried.

The Regular Monthly meeting was adjourned at 9:00 PM.

Richard Erickson, Secretary