BOARD MINUTES

April 27, 2010

Richard Erickson, secretary, called the regular monthly meeting of the Board of Directors of Okanogan County Electric Cooperative Inc., to order at 7:00 pm.

Present: Don Hover, Richard Erickson, Ken Westman, Jeremy "Nim" Titcomb, Frank Kline, Dick Garing, Paul Taylor, Ron Perrow and Pat Leigh.

Attending: Ray Ellis; General Manager, Terry Karro; Attorney, Lynn Northcott; Office Manager, Teri Parker; Billing Clerk, Gary Wilson; Line Foreman and Don Clutter; Engineer Manager.

Selection of Officers

1. Secretary Richard stated that a pro tem chair needed to be elected and asked for nominees. Don Hover volunteered; with no objections from those present Don was appointed by acclamation to serve as pro tem chair.
2. The Oath of Directors was administered to the newly elected Directors; Paul Taylor, Ron Perrow and Pat Leigh.
3. Election of Officers: Don called for nominations for President.

Ken Westman nominated Don Hover as President, second. Carried.

Richard Erickson moved the nominations be closed, seconded. Carried. Don called for other nominations, none were forthcoming. Don called for discussion, there was no discussion and Don called for a vote. Don Hover was elected President with none opposed.

Don opened the nominations for Vice President.
Don nominated Frank Kline, second. Carried.

Ron Perrow moved the nominations be closed, second. Carried. No discussion.

Frank was elected Vice President with none opposed.

Ken Westman nominated Richard Erickson as secretary, seconded. Carried.

Ron moved to close the nominations, second. Carried. Richard was elected Secretary with none opposed.

4. Don took a few moments to welcome the new Directors. Each new Director took a few moments to thank the current Board and comment on their new positions.

APPROVAL OF AGENDA

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

Lynn Northcott noted that the agenda on the table varied from the agenda previously mailed to Directors.

APPROVAL OF MINUTES

A correction to the March 23, 2010 minutes was requested under Items of Business, section 3; it should be noted that Dick Garing is on the Open Board Policy Committee. He was omitted in error.

Nim motioned to accept the minutes as corrected. Second. Carried.

MANAGERS REPORT

Don Hover requested that the Supervisors report to the Board on a quarterly basis instead of a monthly basis. There were no Directors opposed.

1. Don Clutter-Engineering report: Don reported on the Wolf Creek upgrade project and Phase 1 of the Bear Creek upgrade. Phase 2 is ready to begin.
2. Gary Wilson-Line Foreman: Gary reported on cable laid and poles set, year-to-date and month-to-date. Phase 2 of the East County Road Project is ready to move forward. The planned outage for the Mazama feeder on the 27th finished an hour ahead of time. This project was done at the request of the Bureau of Reclamation and needed to be completed before the spring high water season.
3. Lynn Northcott-Office Manager: Lynn gave each new board member a list of common acronyms used and a packet of information for review. Lynn has received a phone call regarding the revolving loan fund and reminded the board that it's time to put a committee together to administer the funds available.

ELECTRIC BUSINESS

1. Form 7-February 2010 form-Reviewed and a copy attached hereto. Paul suggested a training session for the new board members to help understand the financial forms.
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-

Ray reported the PUD won their appeal in Superior Court and the next hearing regarding the proposed transmission line will be on May 3rd. The project was proposed in 1993 at a cost of 3-4 million. Today, the Loup Loup transmission line is at capacity and the projected cost for the new transmission line is between 15-20 million dollars.

Ray reported that SEDC, our billing software, is releasing a Time of Use billing product later this year at no cost to Co-op's currently using their software. We will take a look at it once it is released.

The Mazama feeder is now at capacity. OCEC had an engineering study done in 2002 for recommendations to determine needs to be met. We will need to have another study done to determine further action, strategies available and load control suggestions.

Ray reported on salaries for CEO's and Board stipends of Co-op's in the Pacific Northwest. OCEC is at the lower end of the scales.

ITEMS OF BUSINESS

1. PNGC Update – Ray updated the Board on his position as Vice Chair of PNGC and reported that he attends meetings in Portland, OR once a month.

   PNGC has opted to not be a part of the Grant County's Combined Cycle Combustion Turbine generation facility project. (CCCT)

   Ray reported that the forecast for the Columbia River is 64% of normal water. This is the 48th worst year out of 50-years. Ray presented a power point to show how the forecast model works.

2. Open Board Policy Review – Policy #20-030 was presented to the Board for review. A vote was tabled until the next board meeting to give everyone a chance to have input on the final version.

3. Communication plan proposal – A discussion was opened in regards to hiring a communications person to handle newsletters to members or updating the website.

   The board agreed to appoint a Steering Committee to investigate further options and report recommendations to the Board. Frank, Ron and Pat Leigh volunteered to be on the committee.

4. Conservation committee report – The committee is made up of OCEC members and staff. Committee members have presented several ideas to help the community, such as: being current on building codes, using Co-op usage data for research and trend analysis, a community solar project and software to make hourly usage data available to consumers with internet access.

5. Second Meter Policy – Ray discussed the original intentions of this policy and made the recommendation that it be reworded to include domestic wells, small shops or outbuildings that are associated with the member's one primary home meter service. Second meter services may not exceed 500 kWh's per month and 5 kW's per month on a year round basis. Don gave Ray direction to reword the policy for review at the next meeting.

6. Smart Grid Contract Approval – Ray presented a memorandum from PNGC, "Summary of PNGC-Member Smart Grid Implementation Contract". Ray stated that a decision needed to be made by May 4th on whether OCEC is going to participate in the Smart Grid Program.

Frank made a motion to approve the Smart Grid Contract to allow Ray to move forward. Second.

Discussion included how the system works, costs to the Co-op, time restraints and whether OCEC could still withdraw (Ray assured the board that we could). Paul requested that Ray put together a cost benefit plan for the Board to review. The motion was adopted with one (1) opposing vote cast by Paul.

7. Okanogan County Energy, Inc. (OCEI) Annual Meeting Date – The meeting date has been set for May 25th.

   The OCEC regular board meeting will be May 25th at 6:00 pm with the OCEI Annual Meeting to follow at approximately 8:00 pm.

   The regular monthly board meeting of OCEI will follow the annual meeting.

8. Resolution 2010-01 Corporate Banking Authorization – Farmers State Bank – Lynn explained that we need to remove two (2) former board members from the bank account and we need to have two (2) additional signers.

Ken made a motion to remove Craig Boesel and Lee Pilkinton from the accounts and add Ron Perrow and Frank Kline as new signers. Second. Carried.

9. Resolution 2010-2 Corporate Banking Authorization – North Cascade National Bank – Lynn stated the same as above.

Ken made a motion to remove Craig Boesel and Lee Pilkinton from the accounts and add Ron Perrow and Frank Kline as new signers. Second. Carried.

MEETINGS ATTENDED

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. 5,Okanogan County Electric Cooperative, Inc. Annual Meeting. April 19th, Winthrop, WA

MEETINGS TO ATTEND

1. WRECA – Legislative Conference – Washington DC – May 2nd thru 6th – Ray & Don
2. PNGC – Portland OR – May 10th & 11th - Ray

NEW MEMBERS

Nim motioned to accept the new members. Second. Carried.

The Regular Monthly meeting was adjourned at 10:00 PM.

Richard Erickson, Secretary