BOARD MEETING

June 22, 2010

President Don Hover determined that a quorum was present and called the meeting of the Board of Directors of Okanogan County Electric Cooperative, Inc. to order at 7:00 pm.

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

Absent: Frank Kline

Attending: Ray Ellis General Manager; Lynn Northcott, Office Manager; and Teri Parker, Office Staff.

Members in Attendance: Jeff Hardy, Maria Converse, Duncan Bronson and Ann McCreary.

APPROVAL OF AGENDA

Paul Taylor requested to add item 9 – Rate Structure Committee Report. Ray Ellis requested to add item 10 – Policy #10-120 Activities and Conduct of Individual Board Members and item 11 – NWPPA Fast Track Board Credentialing to the agenda; and to move item 1- OCEC Rate Discussion, from meetings to attend, to meetings attended.

Nim moved to accept the agenda as revised. Second. Carried.

APPROVAL OF MINUTES

Paul moved to correct Ron Perrow's motion from the June 15 minutes to read 'a draft survey via email **to Board members** on rate philosophy.

Richard moved to approve the minutes from May 25, 2010 meeting and the June 15, 2010 Board meeting as amended. Second. Carried.

MANAGERS REPORT

1. Form 7 – May 2010 – 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:
   Ray spoke about the smart grid grant OCEC has been awarded and discussed plans for upgrading equipment at the substation and evaluation of our current metering software.

   Community Solar Project – 55 members have responded with interest to the project and letters of intent totaling $96,000.00 have been received so far. OCEC will own the solar array and Ray requested that $734.00 be added to the 2011 budget for insurance on the project.

   Ken moved to add $734.00 to the 2011 budget to cover the insurance premium increase for the solar project. Second. Carried.

   The new USDA RLF Grant OCEC applied for has been approved in the amount of $200,000.00 and will be loaned to Aero Methow to help pay for their new facilities.

   Ray met with a representative from the Methow Conservancy to discuss their mapping in regards to buildable properties above the Weyman Bridge. He reported there are still 1,455 lots available for development and potential load on the Mazama Feeder.

   Paul asked Ray if it were possible to put together load growth charts for Board members. Charts would help the board with planning and determining trends for future growth.

ITEMS OF BUSINESS

1. PNGC Update – Ray attended the PNGC strategic planning meeting held in lieu of the regular monthly meeting. The meeting focused on new resource requirements and how that cost will be spread across the pool. There was discussion on future rate increases from BPA & PNGC.

2. Conservation Committee Report – The committee is in the process of researching Marathon hot water heaters, water-heater timers and other items to help members to conserve power and save money on their electric bills. They are looking at ways to assist members with the costs of these items.

   A sub-committee is being formed for the purpose of data analysis. Paul requested the board get copies of the reports as they become available.

3. Revised Policy No. 40-010 Salary and Benefits – reviewed.

   Ron moved to accept Policy No. 40-010 as presented. Second. Carried.

4. Review Policy No. 30-220 Pole Contacts – It was noted that our pole contact price has not changed in the last 20-years. The new fee is set at $12.75 per pole annually.

   Ken moved to accept Policy No. 30-220 as presented. Second. Carried.

5. Policy #30-105 – Second Meter Service – Paul suggested a small wording change in the Disconnected & Idle Services portion of the policy. The second to the last sentence in the policy should read 'All idle or disconnected services **for which the member chooses** not to pay...'

   Paul moved to accept Policy No. 30-105 as revised. Second. Carried.

6. Communication Committee Report – No report.

7. Signing Policy No. 20-030 Attendance of Members – Reviewed.

   Ron moved to accept Policy No. 20-030 as presented. Second. Carried.

8. Appointing Revolving Loan Committee – Don asked for volunteers to serve on the committee to oversee the selection of applicants and the interview process. Nim, Dick and Paul will serve on the committee. General Manager Ray Ellis and Office Manager Lynn Northcott are standing members of the committee.

9. Rate Structure Committee Report – Paul reported the committee met and discussed many scenarios for surveys and question formats. He asked for the Board input in regards to concerns and options.

   After discussions it was decided to develop a survey that can be mailed to members in their monthly statement. E-bill only consumers will be notified on how to complete a survey.

Ron moved to enclose a questionnaire in the monthly bills; questions to be approved by the board, surveys to have an identifier on them and customers can return the survey with their payments. Second. Carried.

10. Policy #10-120 Activities and Conduct of Individual Board Members – Ron suggested a change to paragraph II section B: He proposed to strike the last sentence and replace it with **However, this policy does not preclude a dissenting director from disclosing to member-owners that he or she dissented on a particular decision and why.**

    Ken expressed concern on whether the change should be given to Terry Karro for review and asked if this policy matched similar policies from NRECA or NWPPA. Don asked if the board wanted to wait to make a decision or move forward. Discussion.

    Ron moved that policy #10-120 be accepted with the proposed language change. Second. Motion passed with 1-opposed, Ken Westman.

11. Board approval for NWPPA Fast Track Board Credential Training.

    Ken moved to send Paul and Pat to the NWPPA Fast Track Board Credential class in October. Second. Carried.

MEETINGS ATTENDED

1. OCEI – Annual Meeting – Winthrop WA – May 25th – All Board of Directors from OCEC and OCEI
2. PNGC 2010 Strategic Planning Session – Sisters OR – May 31st thru June 2nd – Ray
3. WRECA – Annual Meeting – Walla Walla WA – June 7th thru 9th – Ray, Richard, Ken & Paul. Paul stated this was a very valuable meeting to attend and encouraged all board members to attend the 2011 meeting if possible.

4. OCEC Rate Discussion – Co-op Office – June 15th – All Board of Directors

MEETINGS TO ATTEND

1. PNGC – Portland OR – July 5th & 6th – Ray will not be available to attend.

Meeting Adjourned to executive session at 8:45 pm.
Meeting was reconvened at 9:00 pm.

Ken moved to waive the $2,000.00 maintenance fee for Medicine Wheel's fiber agreement for a period of 18-months for the purpose of allowing the owner's to reinvest that money in the business. Second. Carried.

Meeting was adjourned to executive session at 9:02 pm.

NEW MEMBERS

New members were accepted by acclamation.

Richard Erickson, Secretary