BOARD MEETING

November 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 6:00 pm.

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

Absent: None

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

Members in Attendance: Kent Hitch, Marlene Firth, Matt Firth, Mike Shirley, Jim Brennan, Jim Thomas, Pete Delong, Duncan Bronson and Ann McCreary.

Members in Attendance on Agenda: Ken Sletten.

AMEMDMENTS TO AGENDA

Ray requested to add number 8; Request for funds for Coats for Kids and number 9; Methow Valley Education Foundation.

Ken noted that WRECA was missing from the meetings to attend and requested number 10; Recommendations from the Legal Committee be added.

Paul requested number 5; Rate Structure Survey be clarified to include rate structure discussion as well.

APPROVAL OF AGENDA

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

APPROVAL OF CONSENT AGENDA ITEMS

1. Minutes from November 4, 2010
2. New members
3. October 2010 – Form 7
4. Statement of Operations
5. Revolving Loan Fund
6. Power & Service Data
7. Outage Report

Frank moved to approve the consent agenda. Second. Carried.

MEETINGS ATTENDED

1. PNGC – PORTLAND OR – Nov 2nd & 3rd – Ray
2. Workplace Harassment – Wenatchee WA – Nov 17th – Gary, Don & Lynn N

MEETINGS TO ATTEND

1. PNGC – Portland OR – Dec 6th thru Dec 8th – Ray
2. PPC – Portland OR – Dec 8th thru 9th – Ray
3. WRECA – December 14th – Ken and Richard

PUBLIC COMMENT – Ken Sletten

Ken commented on the proposed, potential PUD merger as discussed at the November 4, 2010 meeting and rate structure comments.

ITEMS OF BUSINESS

1. UPDATE ON OPERATIONS:

At this point in time Don proposed moving item 5; Rate Structure Survey and discussion to the end of the meeting.

Ray reported that tree-trimming is on-going and, year-to-date, OCEC has completed 207 cost estimates. Pole testing is finished for 2010 and costs have come in under half the amount budgeted. Pole testing will continue next year.

An amendment to Policy 30-070 in regards to capital credit allocation was presented and discussed. The policy will be presented again after further review.

A request to change from First In-First Out (FIFO) payment method to a payout of 5% of the capital credits allocated to members was presented and discussed.

Nim motioned to payout capital credits reflecting 5% of capital credits to all members with capital credits allocated. Second. Carried.

2. PNGC Review

Ray reported there has been some improvement in stream flows, discussed.

Residential exchange settlement between BPA and Investor-owned utilities (IOU's) and BPA slice increases.

3. Executive Session Discussion

Subject tabled again.

From the November 4th meeting; Ron moved that the WA State Open Public Meetings Act, description of executive session, copies emailed to Directors, be adopted by the OCEC Board. Second.

Frank moved to table this motion until the regular November board meeting to leave Ron time to draft a policy for the board to review at that time.

4. PUD Merger

Paul and Ray have an appointment at the PUD in Okanogan on November 30th to talk with their manager and Board President regarding a proposed merger with the PUD.

5. Write Offs

2010 Write off debts in the amount of $2,788.00 was presented.

Ken moved to accept the write offs as presented. Second. Carried.

6. Communications Plan

Ron Emailed a draft plan to all Directors with a recommendation to adopt as a plan, not a policy, noting that changes can be made. Report attached and reviewed.
Ron moved to adopt the plan as presented. Second. Carried.

7. Request for Funds; Coats for Kids
Items 7 & 8 were combined at this point.

Frank moved to donate $500.00 for the Coats for Kids program, administered by Methow Valley Schools, and $2000.00 to Methow Valley Education for scholarships. Second. Carried.

8. Methow Valley Education Foundation

See above.

9. Recommendations from the Legal Committee

Ken presented recommendations for hiring Legal ~~Council~~ Counsel by the committee.

Pat moved to hire the firm of Ogden, Murphy and Wallace as Legal Council for Okanogan County Electric Cooperative, Inc. Second. Carried.

10. Rate Structure Survey and Rate Structure Discussion

Paul presented tallies from 994 returned Rate Structure Surveys; report reviewed.

Policy NO. 30–100 Rate Structures and Schedules was reviewed and discussed, as was a proposal made by Paul Taylor to change the residential rate structure philosophy to one that recovers the Co-op's operating costs through a combination of the energy charge and monthly base charge, with no demand charge.

Frank moved to reaffirm Policy NO. 30–100 as being in the best interest of OCEC and its members from a fiduciary standpoint. Second.

Ron moved to amend the motion to eliminate section B from the policy. Second.

Paul moved to reword Ron's amendment to restate section B; leave it as is but add NRECA's language for flexibility; "and/or establish an automatic rate adjustment mechanism which will ensure operating costs are covered."

Don called for a vote on the amendment; 3-votes in favor, 5-votes opposed. Amendment failed.

Don called for a vote on the motion; 5-votes in favor, 3 votes opposed. Motion carried.

It was requested that the General Manager look at rate structures to present at the next regular board meeting.

Meeting adjourned at 8:50 pm.

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Richard Erickson, Secretary