BOARD MEETING

May 25, 2010

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

Absent: Don Hover

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

APPROVAL OF AGENDA

Ray Ellis requested to add item 6 – Community Solar Project - to the agenda.

Paul Taylor made a motion to add under items of business; Special Board Meeting for Rate Structure, the Braden Project and Discussion of four-ten hour workdays.

After discussion regarding the Braden Project, Paul amended his motion to include item 7 - Special Board Meeting for Rate Structure and item 8 - Discussion of four-ten hour workdays.

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

APPROVAL OF MINUTES

Nim moved to approve the minutes from the April 27, 2010 Board meeting as presented. Second. Carried.

MANAGERS REPORT

1. Form 7 – April 2007 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.
   Lynn Northcott reminded the Board that a Revolving Loan Fund committee will need to be formed at the next Board meeting to discuss applicants for funds.
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 on the four-ten hour workdays for the summer months. He has asked our answering service to track the number of calls that come in on Fridays and the staff to track the calls that come in to the office between 7 and 8 a.m. and 4:30 and 5:30 p.m. There is still a lineman on standby for the entire weekend, including Fridays. The Board approved these hours last fall on a test basis.

PNGC is to sign the Smart Grid Grant on Thursday May 27th. No immediate action is required by OCEC. We have up to 3-years to implement any project chosen.

Policy 40-010, Salary and Benefit Plan - Ray asked for review of Stand-By comp-time for linemen. Currently a lineman receives 8- hours of pay and 4-hours of comp time for the week he is on call. Ray requested the comp time be adjusted to ½ of the daily work hours due to the 10-hour day schedule. This would increase comp time to 5-hours per week. In addition Ray requested the Board consider a $.584 wage increase to bring employees in line with the PUD lineman wages. He pointed out the OCEC Board has always done so in order to retain trained linemen. The PUD is a union workshop and Ken requested Ray to present a summary of the implications of a union at OCEC. This topic will be on the next meeting agenda.

Pole Contacts are the space rented from the Cooperative by other Utilities such as telephone and T.V. in order to use existing poles to hang equipment and wire on. OCEC has been charging $5.00 per contact for many years. Ray said we will be raising our rate per pole contact to be more in line with what other utilities charge.

Ray showed a power point of the BPA wind generation website which helped to explain how difficult it can be to integrate electric generation with wind generation.

ITEMS OF BUSINESS

1. PNGC Update – Ray confirmed that PNGC will not be a part of the Grant County's Combined Cycle Combustion Turbine generation facility project (CCCT).

Ray presented a power point of the Wave Technology that PNGC is part of for renewable energy generation. Phase-I is scheduled to be implemented off the Oregon Coast this summer and involves launching and setting one test buoy. If that project proves successful Phase-II will put a total of 9-buoys in the water.

The PNGC Risk Management Committee runoff forecast is up by 1%; we are now in the 47th worst water year out of the last 50.

2. Open Board Policy #20-030 Review – After a short discussion Frank suggested a wording change under Section III Procedures, section A, number 2; he suggested the word "only" be removed as unnecessary. It was observed that the Agenda for each months meeting will need to be completed 2-weeks before each Board Meeting. Agendas can be posted on OCEC's office door and on the website.

   Dick Garing made a motion to accept Policy #20-030 Attendance of Members or Others at Board of Director Meetings with the change suggested. Second. Carried.

3. Communication Plan Proposal – Frank, Pat Leigh and Ron Perrow met to discuss the communication needs of OCEC and whether we should consider hiring a Public Relations person. Pat reported that we only have approximately 600 email addresses making email an ineffective outreach. Ron noted the committee felt it was important to conserve resources and OCEC was capable of putting out a good communications product as soon as goals are set. The Board gave the go-ahead for the committee to develop a plan for communications.

4. Conservation – The Conservation Committee met on May 18th. Ray reported the committee's focus will be on helping individual members reduce their kWh and kW usage, educating members and being a "community" conservation committee.

5. Policy #30-105 – Second Meter Service – Ray asked to table this item until the next meeting for Board review.

6. Community Solar Project – Ray presented a hand-out from Ellen Lamiman outlining the proposed community solar project to be located on Cooperative property. This project will not interfere with private solar projects and will be open for private investment by members. There will be no cost to the Co-Op other than a minimal amount of maintenance time.

   Ken Westman made a motion to move forward with the project as presented. Second. Carried.

7. Special Board Meeting for Rate Structure Discussion – A discussion was opened regarding the necessity of having a special board meeting or whether the board wants to change the current rate structure.

   It was agreed to have a 2-hour special meeting on June 15th at 6:00 p.m. OCEC will provide a pizza dinner.

8. 10-hour/4-day workweek – Tabled until the next regular board meeting.

MEETINGS ATTENDED

1. WRECA – Legislative Conference – Washington DC – May 2nd thru 6th – Ray & Don Hover
2. PNGC – Portland OR – May 10th & 11th – Ray
3. PNGC – COSA – Winthrop WA – May 19th – All Board of Directors

MEETINGS TO ATTEND

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

NEW MEMBERS

Nim made a motion to approve the new members. Second. Carried.

Meeting adjourned at 8:20 p.m.

Richard Erickson, Secretary