

BOARD MEETING

June 28, 2011

Present: Don Hover, Dick Garing, Frank Kline, Ron Perrow, Pat Leigh, Paul Taylor, Dale Sekijima, Kent Hitch and Ardis Bynum.

Attending: Doug Adams, Interim General Manager, Lynn Northcott, Office Manager; and Teri Parker; Office Staff.

Guest: Gil Sparks, Ogden Murphy Wallace PLLC, Okanogan County Electric Cooperative, Inc. (OCEC) Attorney.

Members in Attendance: Deborah Helleson, Ron Harnes, Mike Shirley, Duncan Bronson, Matt Firth, Betsy Cushman and Joe Callier.

PRELIMINARY

1. Meeting Called to Order

President Don Hover called the meeting of the Board of Directors of Okanogan County Electric Cooperative, Inc. (OCEC) to order at 7:00 pm.

2. Determination of quorum

3. Approval of Agenda

Doug corrected No. 6 Meetings to Attend, item 1; Dale Sekijima also attended PNGC.

Ron moved to approve the agenda as amended. Second. Carried.

4. APPROVAL OF CONSENT AGENDA ITEMS

Kent asked if there was any objection to attaching the Treasurer's report to the minutes on the website. Board consensus; there was no objection.

1. Minutes from May 24, 2011
2. New members

3. May 2011 – Form 7
4. Statement of Operations
5. Status of Funds
6. Revolving Loan Fund
7. Power & Service Data
8. Outage Report

Ron moved to accept the consent agenda as amended. Second. Carried.

5. MEETINGS ATTENDED

1. OCEI-Annual Meeting-Winthrop WA-May 24th-All Board of Directors from OCEC & OCEI
2. Pacific Northwest Generation Cooperative (PNGC)-Strategic Planning-Stevenson WA-June 6th & 7th-Doug Adams

Doug reported the focus was on how to fulfill Tier-2 power needs. He will cover details in the June 30th OCEC Strategic Planning Meeting.

3. WRECA-Spokane WA-June 6th & 7th-Ron & Ardis

Ron reported it was one of the best conferences he had been to. He discussed our representatives in Olympia, what they are doing for us and the seminars and speakers. He will expand on what they heard in the Strategic Planning meeting on the 30th.

4. Corporate Finance Cooperative (CFC) 2011 Forum-San Francisco CA- June 11th thru 15th-Lynn

Lynn thanked the Board for giving her the opportunity to attend the Forum. She attended two days of classes and another two and a half days of educational seminars.

5. OCEC Directors Workshop – June 21st – Winthrop Office – (6:00 pm) – All OCEC Board of Directors

Doug reported there were two (2) parts to the workshop; part one (1) was a presentation by Electric Consultants, Inc. (ECI). The study excluded the Mazama Feeder (which was

done separately) and showed that our electrical system is in good shape. Our estimated costs for upgrades were about \$361,000 over the next 20-years.

Part two (2) of the workshop was for By-Law revisions in progress. Discussion points included: should the red-line version be posted on the website or should we wait until the final draft; should there be a 30-day comment period and if so, what procedure will be used to address the comments.

It was noted that there is no rush to revise the By-Laws; they are being brought up to date. The current By-Laws are still in effect.

Kent moved to table the issue. Second. Motion carried with one (1) opposed; Frank.

6. MEETINGS TO ATTEND

1. PNGC-Portland OR – July 5th thru 6th – Doug Adams and Dale Sekijima.
2. OCEC Directors Strategic Planning Session – June 30th – Winthrop Office – (7:30 am to 12:00 pm) – All OCEC Board of Directors

It was noted the Directors are requested to show up at 7:15 am for updated pictures to go on the website.

3. OCEC Directors Rate Workshop – July 12th – Winthrop Office – (6:00 pm) – All OCEC Board of Directors

7. UPDATE ON OPERATIONS

Doug Adams, Interim Manager;

After holding the system study workshop on June 21st Doug suggested an arranged tour of OCEC's system for Directors who are interested. He will send out possible dates via email and arrange for transportation when a date and time are chosen.

ITEMS OF BUSINESS

1. PNGC Report

Doug will provide details at the June 30th workshop.

2. WRECA Report

3. Revolving Loan Fund (RLF) – Committee Selection

Lynn reported the balance in the RLF account is approximately \$90,000. Ideally, the Cooperative tries to loan \$50,000 per year to receive the \$25,000 excise tax credit. She requested a Committee be appointed to begin the process. Advertising will be done through the Methow Valley News and other outlets.

Don appointed Lynn, Doug, Ardis and Kent as committee members.

4. NCN Bank Resolution 2011-06

The resolution is to remove Ken Westman and V. Ray Ellis from North Cascades National Bank accounts and to add Kent Hitch and Ardis Bynum as authorized signers.

Paul moved to approve Banking Resolution 2011-06. Second. Carried.

5. Member Outreach Committee

The purpose is to develop a committee to assist in member education of the Cooperative and industry issues through various media. The meetings would typically be quarterly.

Paul moved to adopt a Member Outreach Committee charter as presented to provide membership education and receive feedback on OCEC and industry issues. Second. Carried.

Don appointed Frank, Ron and Ardis to the committee; Ardis will serve as Chairman. Doug will appoint a member of the community to serve on the committee as well.

6. Governance Committee

Doug suggested a committee be formed to assist the Board in Board self evaluation, education, orientation and policy development.

Dale moved to adopt a Governance Committee to work per the proposed charter to assist the Board with Board orientation, education and evaluation. Second. Carried.

Don appointed Paul, Dick and Ardis to serve on the committee with Paul serving as Chairman.

7. National Rural Electric Cooperative Association (NRECA) Voting Delegate Certification

Doug has received paperwork from NRECA to certify a voting Delegate and Alternate for the NRECA regional meeting.

Frank moved Board President, Don Hover, be the Certified NRECA voting delegate with Board Secretary, Kent Hitch, as the alternate. Second. Carried.

Ron Perrow was appointed to be the Certified Voting Member for the August meeting in Yakima. This is a one-time only appointment.

8. Policy 30-110 Rate Schedule A – General Service

Dale moved to sign the revised policy No. 30-110, removing the \$2.70 demand charge from the option 2 rate. Second. Carried.

9. By-Law Revision Adoption (Follow-up from June 21 Workshop)

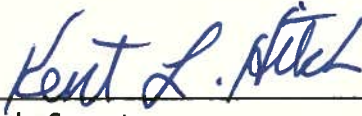
By-Law Revision Adoption tabled by motion under meetings attended.

Adjourn to Executive Session 7:50 pm.

Reconvened at 8:06 pm.

Dale moved to authorize Doug Adams to sign the IBEW Local No. 77 union contract. Second. Motion passed with one opposed, Ron.

Adjourn to executive session at 8:10 pm; out of Executive Session 8:34 pm. Meeting adjourned.

A handwritten signature in blue ink that reads "Kent L. Hitch". The signature is written in a cursive style with a large initial "K".

Kent Hitch, Secretary