



## BOARD MEETING

November 22, 2011

**Present:** Don (Bud) Hover, Ron Perrow, Pat Leigh, Paul Taylor, Dale Sekijima, Kent Hitch and Ardis Bynum.

**Absent:** Dick Garing

**Attending:** David Gottula; General Manager, Lynn Northcott, Office Manager and Nilsine Harris; Administrative Assistant.

**Guest:** Jennifer Sands, Ogden Murphy Wallace PLLC, Okanogan County Electric Cooperative, Inc. Attorney

**Members in Attendance:** Douglas Graybeal, Shane Ruoss, Matt Firth, Mike Shirley, Duncan Bronson, Joe Callier, Charlie Ryan and Ann McCreary.

### 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

David Gottula asked for a change to the agenda, adding under the items of business, 2011 Capital Credit Payout.

Ardis moved to accept as modified. Second. Carried.

#### 4. APPROVAL OF CONSENT AGENDA ITEMS

1. Minutes from October 25, 2011
2. New members

3. October 2011 – Form 7
4. Statement of Operations
5. Status of Funds
6. Revolving Loan Fund
7. Power & Service Data
8. Outage Report
9. Treasures Report
10. October - Committee Report

Dale moved to accept the agenda as presented. Second, Carried

**5. MEETINGS ATTENDED**

1. PNGC Annual Meeting – Portland, OR – Nov 1<sup>st</sup> & 2<sup>nd</sup> – David Gottula
2. Board Committee Meeting – Cooperative – Nov 7<sup>th</sup> – All Board of Directors
3. Okanogan PUD – Nov 8<sup>th</sup> – David Gottula
4. Board Committee Meeting – Cooperative – Nov 17<sup>th</sup> – David Gottula and All Board of Directors
5. Public Meeting – November 17<sup>th</sup> – The Barn/Hen House – David Gottula, Lynn Northcott and All Board of Directors
6. CFC- Nov 21<sup>st</sup> – David Gottula, Lynn Northcott, Finance Committee and Tom Miniajluk.

Kent Hitch spoke to the board on the teleconference with CFC refinancing. Kent indicated that refinance could potentially save the cooperative \$100,000.00 interest payments. Other options that the committee is looking at are refinancing with local banks, issuing of bonds and self-finance. If the coop were to issue bonds there would be possible bylaw changes.

Kent informed the board that committee will be meeting with Co Bank on Nov 29<sup>th</sup> and will continue to brief the board on the outcome of the refinancing of loans. Don Hover asked where that would put us with Rural Utilities Service. RUS only loans on new projects will not have any effect on our lending per David Gottula.

**6. MEETINGS TO ATTEND**

1. NRECA – RS Pension – Coop office – Dec 5<sup>th</sup> – David Gottula, Lynn Northcott, Finance Committee & Ardis
2. PNGC – Portland, OR – Dec 6<sup>th</sup> & 7<sup>th</sup> – David Gottula
3. WRECA – Board Meeting – Sea-Tac, WA – Dec 13<sup>th</sup> – Ardis & Ron

**7. UPDATE ON OPERATIONS**

David Gottula reported the 2012 Budget is being finalized and will be presented at the December meeting.

David noted the process for reviewing/setting rate is going well. The Cooperative has currently met the revenue requirements at this time and will be moving to the COSA.

Refinancing and employee RS pension Plan is currently being reviewed and he will update the Board with more information as it becomes available.

David informed the board that as of January 2012 the Cooperative will no longer issue the Ruralite magazine. This will save the cooperative \$40,000 on 2012 budget. He also reported anyone could subscribe to the Ruralite on their own.

David briefed the board that after the 1<sup>st</sup> of the year he would like to have live member meetings on the website. He will do a trial run mid December from the Barn to see how it will work for future web meetings.

**ITEMS OF BUSINESS**

**1. Director Appointment**

Ardis made a motion to appoint Dave Gens to fill the unexpired North District Director term vacated by Frank Kline. Dale moved to accept. Second. Carried.

New Director Dave Gens took Oath of Office.

**2. WRECA Update - Legislative**

David Gottula is looking for Board volunteers to attend Legislative in Olympia in late January or Early February. Don Hover and Ron Perrow indicated they might be interested depending on date. David will send information out to the Board when it becomes available.

**3. PNGC Report**

David Gottula informed the Board that OCEC will be receiving a credit of \$40,000 on the December bill.

4. Policy No. 20-030 – Attendance of Members or Others at Board of Directors Meetings

Paul Taylor addressed the Board on changes made. David Gottula pointed out one significant change; members may address the board at the end of each meeting.

Ardis pointed out that this is not the format that the committee agree on and asked to table Policy No. 20-030 until December 29<sup>th</sup> meeting.

Dale moved to table Policy No. 20-030 until December 29<sup>th</sup>. Second. Carried.

5. Policy No. 30-212 – Disconnect Switch Interbase

Paul made a motion to accept policy as revised. Second. Carried.

6. Write off's

Ron made a motion to accept write off totals for 2011 in the amount of \$1,194.35. Second Carried.

7. Discussion of Per Diem Payments – Policy No. 10-070 – Compensation and Benefits of Directors

Lynn Northcott addressed the Board on changes to policy; these changes came out of the Budget meeting to reduce the Boards pay and to clarify which meeting/committee the board is to be paid.

Ron moved to accept as amended. Second. Carried.

8. Board Training Opportunities

David Gottula reported that currently in 2012 WRECA/NRECA are not conducting classes due to lack of interest. If any Board of Director is interested, notify David.

9. D.O.M. Liability Insurance

Lynn Northcott presented new premiums from Federated Insurance on changes to Directors, Officers & Managers Liability.

Ardis moved to change the D.O.M. Liability to 2 million liability limit with a deductible of \$10,000. Second. Carried.

10. Director Districts update

David Gottula updated the Board on the district reconstruction; he informed the board that districts are becoming more evened out. The final map will be presented at the December Board meeting.

11. Change December Board Meeting

David Gottula will be out of town during the normal schedule meeting. It was agreed the next meeting will be Thursday, December 29<sup>th</sup> @ 9:00 AM.

12. 2011 Capital Credit payout


The Finance committee presented a change to the Capital Credit payout for 2011. Kent pointed out that in past years the coop has paid out 5% which is the highest payout in the state of Washington for a coop, an average is 2%.

Ardis made a motion to accept the recommended capital credit payout change to \$66,700 first in first out. Second. Carried.

13. Member Comment:

Two members address the Board with questions/concerns. The Board answered their questions/concerns.

The meeting adjourned to executive session at 8:02 pm.

  
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Kent Hitch, Secretary