

## BOARD MEETING

August 23, 2011

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

**Attending:** Doug Adams; Interim General Manager and Teri Parker; Office Staff.

**Guest:** Jennifer Sands, Ogden Murphy Wallace PLLC, Okanogan County Electric Cooperative, Inc. (OCEC) Attorney and Steve Fisher, Lands Energy Consulting.

**Members in Attendance:** Mike Shirley, Duncan Bronson, Matt Firth, Douglas Graybeal and Gina Monteverde.

### 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

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

4. APPROVAL OF CONSENT AGENDA ITEMS

1. Minutes from July 26, 2011
2. New members
3. July 2011 – Form 7
4. Statement of Operations
5. Status of Funds
6. Revolving Loan Fund
7. Power & Service Data

## 8. Outage Report

Ron inquired of Kent why the General Expenses are so high. Kent responded it is due to three items; 1) General Manager Wages 2) Attorney fees in 2011 for labor negotiations and 3) the severance package for Ray Ellis. When those expenses are removed we are very close to budget.

Ardis moved to accept the consent agenda as presented. Second. Carried.

## 5. MEETINGS ATTENDED

1. Pacific Northwest Generation Cooperative (PNGC)-Portland OR-August 2<sup>nd</sup> & 3<sup>rd</sup> -Doug Adams & Dale

Dale will give a report during executive session.

2. WRECA & NRECA – Yakima WA – August 9<sup>th</sup> – Ron & Ardis

Ron reported the meetings were very informative and he especially appreciated the communication with peers in the industry. He informed the Board that WRECA has modified its By-laws allowing meetings via electronic means, simplifying the voting process and improving efficiency.

## 6. MEETINGS TO ATTEND

1. PNGC-Portland OR – September 6<sup>th</sup> & 7<sup>th</sup> – Doug Adams & Dale

Dale will give a report during executive session.

## 7. UPDATE ON OPERATIONS

Doug reminded Directors that PNGC is offering a Directors Seminar in Spokane September 14<sup>th</sup>. The purpose of the meeting is to educate Directors on PNGC power contracts for 2015-2019.

Another meeting coming up is the PNGC Annual Meeting on October 4<sup>th</sup>. Doug asked Directors to let him know soon if planning to attend.

## ITEMS OF BUSINESS

1. PNGC Report

Dale will provide details in the executive session.

2. WRECA Report

Reviewed and presented earlier.

3. Finance Committee – Linda Schmal Request

Kent reported the Finance Committee considered the matter of Policy 30-410 revision as requested by Linda Schmal.

The Committee agreed that this situation was 1) Within management prerogative under the current policy, 2) This situation was not materially different from any new installation and 3) the committee could not recommend a policy where OCEC was in essence financing installation of service.

Based on these considerations, the Finance Committee recommends rejection of the proposed policy change.

Frank moved to accept the recommendation of the Finance Committee and deny the policy change. Second. Carried.

4. Member Outreach Committee Update

Ardis reported the new Website has been launched and continues to evolve. In regards to an earlier announced rate increase coming in October the committee proposed a "Co-op Corner" to be published 6-8 times per year in the Methow Valley News. Ron has spoken to the new owner of the paper and they are in agreement.

Other communication projects in the works include Banner Ads, Radio Spots, public service announcements and Newsletters. The committee wants to make sure

members are comfortable with bringing issues before the Board and know their concerns will be given sincere consideration.

Paul asked if the committee has considered whether OCEC should continue using Ruralite Magazine. Doug suggested it will be addressed during the budget meetings.

5. Adopt By-Law Revisions

Doug reminded the Board that the By-Law revisions have been on the website for public viewing for around 60-days, the original intent was for 30-days. He asked if there had been any comments to Directors.

Ardis said she heard from one member, concerned with setting the Annual Meeting Quorum as a set number instead of a percentage of the membership.

The Directors discussed different types of meetings (annual or special), quorum requirements and scenarios for each.

Frank moved to approve the By-Law changes as recommended by legal counsel. Second. Carried.

6. Brayden Unit Study Presentation

Steve Fisher from Lands Energy Consulting presented his findings and recommendations on the Brayden Unit Pilot Project.

After a detailed presentation his recommendation is that OCEC not pursue the project.

After an in-depth question and answer session with Steve, the Board accepted the recommendation of Lands Energy and agreed to terminate the Brayden Unit Pilot Project.

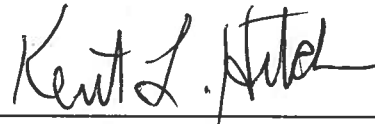
Don asked Doug Adams to investigate whether there are other possibilities for OCEC to use the grant money offered by PNGC.

Adjourn to Executive Session 8:37 pm.

Meeting reconvened at 8:45 pm.

Frank moved to extend the Fiber Contract with Medicine Wheel for one year to give both parties time to renegotiate. Second. Carried.

Adjourn to Executive Session at 8:50 pm.

A handwritten signature in black ink that reads "Kent L. Hitch". The signature is written in a cursive style with a horizontal line extending from the end of the name.

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Kent Hitch, Secretary