



Northwest Public Power Association

---

9817 N.E. 54th Street Vancouver, Washington 98662-0576  
(360) 254-0109 FAX (360) 254-5731  
E-mail: [nwppa@nwppa.org](mailto:nwppa@nwppa.org)  
Web Site: [www.nwppa.org](http://www.nwppa.org)

**Board of Trustees Meeting  
NWPPA Headquarters  
Vancouver, Wash.  
March 9, 2007**

**Minutes of Meeting**

**A. ATTENDING**

Ron Benfield, Central Lincoln PUD  
Randy Cornelius, OPALCO  
Larry Descheemaeker, Fergus Electric  
John DiStasio, SMUD  
Jim Feider, Redding Electric Utility  
Ed Gossett, Kootenai Electric  
Linda Gott, Mason County PUD No. 3  
Byron Hanke, Clark Public Utilities  
Neal Harth, Wasco Electric  
Ron Hatfield, Pacific County PUD  
Jim Hubenthal, Lewis County PUD  
Dwight Langer, Northern Wasco PUD  
Russ Leslie, Nelson Hydro  
Nate Narrance, Inland Power & Light  
Bill Nordmark, Golden Valley Electric  
Scott Odegard, Sun River Electric  
Bruce Pilling, Emerald PUD  
Paul Rogers, Kittitas County PUD  
Dave Sabala, Douglas Electric Cooperative  
Gary Saleba, EES Consulting  
Karl Schrade, Flathead Electric  
Lonny Sheffield, Hughes Supply  
Bob Titus, City of Ellensburg  
Bob Walker, Beartooth Electric  
Ken Weiss, Clearwater Power  
Ralph Williams, United Electric Cooperative  
Bob Wittenberg, Skamania PUD  
Mary Wright, Wells Rural Electric

### NWPPA Staff

Dave Bouchard, Member Relations Manager  
Bryan Case, Deputy Executive Director  
Debbie Kuraspiani, Communication Director  
Will Lutgen, Executive Director  
Arnie Winkler, Director of Education

### Others

Scott Lindsay, NWPPA GRC Consultant  
Alan Zepp, NCPA

NWPPA 1<sup>st</sup> Vice President Ron Hatfield called the meeting to order at 7:45 a.m. on Friday, March 9, 2007. The meeting was held at the NWPPA headquarters building in Vancouver, Wash. A quorum of the Board was present.

## **B. RESIGNATIONS**

The board reviewed and accepted a letter of resignation from Walter Sapp, Kodiak Electric. Sapp's resignation from the board is effective immediately.

## **C. CONSENT AGENDA**

Dave Sabala moved to accept the following minutes as presented.

Executive Committee Meeting — Sept. 6, 2006  
Board of Trustees Meeting — Sept. 7 & 8, 2006  
Government Relations Committee Meeting — Sept. 7, 2006  
New Board Orientation Meeting — Sept. 6, 2006

With a second the motion to accept the minutes of these meetings carried with none opposed.

## **D. COMMITTEE REPORTS**

**Executive Committee Report** — Ron Hatfield provided a brief overview of the March 7 Executive Committee meeting.

**Officer Nominating Committee Report** — Bob Titus reported that the officer nominating committee recommends the following slate of officers for 2007/2008:

President — Ron Hatfield, Pacific County PUD No. 2  
1<sup>st</sup> Vice President — John DiStasio, SMUD  
2<sup>nd</sup> Vice President — Ed Gossett, Kootenai Electric  
Secretary/Treasurer — Neal Harth, Wasco Electric  
Past President — Meera Kohler, Alaska Village Electric Co-op

The committee elected Bob Titus as chair for 2007/2008 and Bill Nordmark as vice chair for 2007/2008.

**Nominating Committee** — Larry Descheemaeker reported that the nominating committee recommends the following individuals serve a second term three-year term on the NWPPA Board:

Bill Nordmark, Golden Valley Electric  
Eric Anderson, Northern Lights  
Bob Walker, Beartooth Electric  
Brent Crowther, Valley Electric  
Byron Hanke, Clark Public Utilities

Individuals nominated to serve a first three-year term are:

Tom Kuckertz, Copper Valley Electric  
Paul Elias, McMinnville Water & Light  
Kevin Owens, Columbia River PUD  
Michelle Caird, Inland Power & Light

Will Lutgen explained the Nominating Committee's recommendation to further change the Association's Bylaws at the Annual Business Meeting in order to accommodate revisions in associate member categories. There were no objections to the Nominating Committee's recommendation in this regard.

The following associate members were nominated to serve a first three-year term on the Board as associate member representatives:

Rob Sirvaitis, The Energy Authority (*Wholesale/Independent Power Producer/Energy Transmission Provider category*)  
David Harris, Waukesha Electric (*Equipment Manufacturer category*)  
Russell Green, Ruralite (*Other Provider category*)

Neal Harth was elected as chair of the nominating committee and Bob Walker was elected as vice chair.

**Awards Committee** — John DiStasio reported that the Awards Committee recommends the following individuals for NWPPA awards:

**Life Member Awards:** George Litzenberger, Springfield Utility Board; Benson Heath, Wasco Electric; Cathy Wilson, Wasco Electric; Vera Claussen, Grant County PUD; Larry Descheemaeker, Fergus Electric; John Kostick, Lewis County PUD; Allan Billet, Tanner Electric; Elmer Sams, Tanner Electric; John Flowerree, Midstate Electric; and Joyce Weseman, Hood River Electric.

**Paul J. Raver Award:** Michael Doneen, Douglas County PUD; and James R. Day, Lewis County PUD.

**John M. George Award:** Michael Doneen, Douglas County PUD; and Nourdine Jensen, Orcas Power & Light.

**Distinguished Service Award:** John Saven, NRU

**NWPPA Presidents Award for 47 Years of Dedicated Service to the Industry:** Vera Claussen, Grant County PUD

**Plaques of Appreciation:** Marilyn Showalter, Power in the Public Interest; and Liz Loomis, Liz Loomis Public Affairs.

**Board Plaques of Appreciation:** Walter Sapp, Kodiak Electric; Nate Narrance, Inland Power & Light; and Dwight Langer, Wasco Electric.

**Associate Member Plaques of Appreciation:** Ron Gore, Gore Electric; Ray Kindley, Schwabe Williamson & Wyatt; Dave Chaney, Accent Business Services; Kim Ingerslev, Professional Computer Solutions; Rick Hall, General Pacific; and Rob Sirvaitis, The Energy Authority.

The awards committee also recommended plaques of appreciation for all NWPPA section committee chairs.

Linda Gott was elected awards committee chair for 2008.

**Audit Committee Report** — Ed Gossett reviewed the audit committee conference call minutes and the report from NWPPA’s auditor. The auditor reports that there are no serious problems with the 2006 audit. There were seven audit adjustments to be made. The committee reviewed cash investment policies, segregation of duties, AMS software problems, \$642,000 in debt and the long term copier contract. Staff was asked to strengthen the policy on staff credit cards, policy on dues payments made by credit cards, and protection against fraud.

**Government Relations Committee Report** — Neal Harth & Scott Lindsay reported that the GRC heard a DC update from Morgan Meguire and that climate change and RPS are the big issues facing congress at this time. The GRC reviewed wording changes to various resolutions, heard an update from Tri-State G&T and a NW RiverPartners update from Ruthann Mogen.

**Building & Land Committee Report** — Nate Narrance reported on sewer hook-up proposals for the NWPPA headquarters building.

**Past Presidents Committee Report** — Mary Wright reported that Terry Holzer was selected as chair of this committee. The group was asked to help with Public Power A Great Place to Work campaign/internship. The past presidents called utility managers to introduce the program and encourage them to participate.

**Associate Member Dues Committee** — Lonny Sheffield reported that the committee looked at the equitability of dues among associate members. The committee recommends the following dues structure for associate members:

Associate Member “Corporate Dues”

1 to 4 employees — \$585

5 to 25 employees — \$685

Associate Member “Utility Dues”

500+ employees - \$1,500

**Western Energy Resources Committee** — Bob Titus reported on the Nov. 15, 2006 conference call. The committee proposed two committees 1) a legislative and regulatory committee to respond to mandates and new initiatives targeted at electric utilities across all energy resource sectors; and 2) educational and resource development committee with a focus on educating members on various energy sources, power supply technologies and ways to integrate/develop them to meet future load growth needs.

Staff was asked to come up with a name for the two committees, a scope of work, and tasks.

**Proposed Safety Committee** — Will Lutgen reported it is staff's recommendation to not move forward with this committee due to lack of interest by the membership.

## **E. INFORMATION ITEMS**

**Financial Status** — Bryan Case reviewed un-audited year end 2006 financials. Seven adjustments were made as a result of the year end audit. NWPPA's annual audit had started on Monday, March 5, and the field audit portion was completed with no management comments and seven audit adjustments. NWPPA's year end financials, as of December 31, 2006, resulted in operating income of \$4,287,750 and operating expense of \$3,972,622 and had a non-operating loss of \$16,649. This resulted in net income of \$298,480, an equity ratio of 34%, and working capital of \$1,281,755.

NWPPA's January financial statements were also reviewed. As of January 31, 2007, NWPPA recorded net income of \$4,463 compared to a budgeted loss of \$14,373. NWPPA's equity ratio is 34.8% and working capital is \$1,285,716. Education fees, advertising and interest revenues are exceeding budget expectations and total operating revenue is exceeding budget expectations by 23%. Total operating expenses have exceeded budgeted expenses by 14% and are related primarily to costs associated with additional training activities.

**Reserves/Member Equity** — Will Lutgen reported that over the past six or seven years, NWPPA management has worked diligently to implement sound business practices to improve the financial strength of the Association. These practices have resulted in a member equity ratio of 34 percent and working capital of \$1,278,756 (2006 un-audited financials). Lutgen commented that management recognizes that reserves belong to the membership and that holding/investing cash may not be the best use of member resources as a non-profit trade association. Lutgen said while management believes it is its responsibility to recommend to the Board what to do with these resources, it also

recognizes that Board support for its recommendations comes through a collaborative policy level discussion of what to do with funds in excess of agreed upon targets should they occur.

Staff was asked to come back with a list of suggestions on what to do and projections on pay off of the existing loan and what affect that would have. The Board asked for a strategic planning session to be scheduled to discuss future development of the Association's excess land and to have a detailed discussion on the cash reserves and what to do with them.

Staff was asked to prepare some preparatory materials for the Board to consider and schedule a summer special meeting to deal with this issue. Lutgen suggested a special meeting date of the end July or early August. Staff will get back to the Board via e-mail with a meeting date and location.

**Training Activities** — Arnie Winkler gave a fourth quarter training report. Winkler indicated that 53 classes were held in the fourth quarter. Sixteen of those were in-house classes and 37 were regional classes. The training department showed fourth quarter revenue of \$92,000. Winkler reported that 2007 started out at fast pace and most all training classes in the first two months were full and revenues look good.

**Building and Land Activities** — Bryan Case reported that the NWPPA building dry rot repairs were just completed by Team Construction. Case has received estimates on the cost for sewer hook-up and engineering proposals to repair/replace the HVAC system in the building.

**Annual Meeting Program** — Arnie Winkler reviewed the Annual Meeting brochure and gave highlights of the program.

**Allocation Study Groups** — Will Lutgen indicated the study groups are predicated on when the ROD comes out. Lutgen reported that indications are that the ROD should come out soon. Study groups will be formed as soon as the ROD is out.

**Membership** — Dave Bouchard reports there were eight new members in 2006 and that three utilities re-joined recently. NWPPA continues its goal of member utility visits — direct on-site contact with one third of the membership per year.

2007 new utility members are: Wrangall, Alaska; Truckee Donner PUD, Truckee, Calif.

**Advertising/Sponsorships** — Debbie Kuraspediani reported that to-date NWPPA has received commitments from Annual Meeting sponsors in the amount of \$85,600. This amount is up from \$75,300 in 2006. E&O Conference sponsorships in the amount of \$10,400 have been received. The April Power Supply Workshop has received commitments from sponsors of \$6,300.

Kuraspediani commented that the sponsorship money is valuable in helping NWPPA offset the cost of the conference or event

Advertising in NWPPA's publications for 2007 is off to a good start. NWPPA has received \$96,000 in advertising insertion orders for the monthly *Bulletin* magazine. The budgeted amount for *Bulletin* advertising is \$65,000. To-date advertising insertion orders for the *2007/2008 NW Electric Utility Directory* are \$25,000. Kuraspediani reported we are about half way to our budgeted revenue amount. Insertion orders for the *Directory* will be taken until early July and are just beginning to come in.

**Survey of NWPPA Like Organizations** — Will Lutgen reported on a matrix of like associations included in the Board packets. NWPPA is one of the larger associations of its kind in the country.

**Douglas County PUD Thank You – NUTS Pay Back** — Will Lutgen reviewed the purpose of the NUTS repayment and the thanks the founding four utilities have for NWPPA's good faith in repayment of the money.

## F. ACTION ITEMS

**Officer Elections** — Bob Titus moved to accept the following recommended slate of officers for 2007/2008:

- President — Ron Hatfield, Pacific County PUD No. 2
- 1<sup>st</sup> Vice President — John DiStasio, SMUD
- 2<sup>nd</sup> Vice President — Ed Gossett, Kootenai Electric
- Secretary/Treasurer — Neal Harth, Wasco Electric
- Past President — Meera Kohler, Alaska Village Electric Co-op

With a second from Russ Leslie the motioned passed with none opposed.

**Trustee Nominations** — Larry Descheemaeker moved to accept the following slate of NWPPA Trustees:

Individuals serving a second term three-year term on the NWPPA Board:

- Bill Nordmark, Golden Valley Electric
- Eric Anderson, Northern Lights
- Bob Walker, Beartooth Electric
- Brent Crowther, Valley Electric
- Byron Hanke, Clark Public Utilities

Individuals nominated to serve a first three-year term are:

- Tom Kuckertz, Copper Valley Electric
- Paul Elias, McMinnville Water & Light
- Kevin Owens, Columbia River PUD
- Michelle Caird, Inland Power & Light

The following associate members are nominated to serve a first three-year term on the Board as associate member representatives:

Rob Sirvaitis, The Energy Authority (*Wholesale/Independent Power Producer/Energy Transmission Provider category*)  
David Harris, Waukesha Electric (*Equipment Manufacturer category*)  
Russell Green, Ruralite (*Other Provider category*)

With a second from Bob Walker the motion passed with none opposed.

**Awards Nominations** — John DiStasio moved to award the following individuals with NWPPA Awards:

**Life Member Awards:** George Litzenberger, Springfield Utility Board; Benson Heath, Wasco Electric; Cathy Wilson, Wasco Electric; Vera Claussen, Grant County PUD; Larry Descheemaeker, Fergus Electric; John Kostick, Lewis County PUD; Allan Billet, Tanner Electric; Elmer Sams, Tanner Electric; John Flowerree, Midstate Electric; and Joyce Weseman, Hood River Electric.

**Paul J. Raver Award:** Michael Doneen, Douglas County PUD; and James R. Day, Lewis County PUD.

**John M. George Award:** Michael Doneen, Douglas County PUD; and Nourdine Jensen, Orcas Power & Light.

**Distinguished Service Award:** John Saven, NRU

**NWPPA Presidents Award for 47 Years of Dedicated Service to the Industry:** Vera Claussen, Grant County PUD

**Plaques of Appreciation:** Marilyn Showalter, Power in the Public Interest; and Liz Loomis, Liz Loomis Public Affairs.

**Board Plaques of Appreciation:** Walter Sapp, Kodiak Electric; Nate Narrance, Inland Power & Light; and Dwight Langer, Wasco Electric.

**Associate Member Plaques of Appreciation:** Ron Gore, Gore Electric; Ray Kindley, Schwabe Williamson & Wyatt; Dave Chaney, Accent Business Services; Kim Ingerslev, Professional Computer Solutions; Rick Hall, General Pacific; and Rob Sirvaitis, The Energy Authority.

The awards committee also recommended plaques of appreciation for all NWPPA section committee chairs.

With a second the motion to approve the awards carried with none opposed.

**2007 Resolutions** — Neal Harth moved to accept the slate of proposed 2007 resolutions and forward them to the membership for consideration and approval at the 2007 Annual Meeting. With a second the motion carried with none opposed.

**Washington DC Rally Participants** — Trustees indicating an interest in going on the April 2007 Washington DC visitation are:

Bruce Pilling, Emerald PUD  
Ed Gossett, Kootenai Electric

Brent Crowther, Valley Electric (Mary Wright suggested NWPPA contact him)  
Neal Harth, Wasco Electric  
Bill Nordmark (Tentative)  
Bob Walker (Tentative)  
Bob Wittenberg (Tentative)  
Linda Gott (Tentative)

**Associate Member Dues** — Lonny Sheffield moved the Board accept the following associate member dues schedule:

Associate Member “Corporate Dues”

1 to 4 employees — \$585  
5 to 25 employees — \$685

Associate Member “Utility Dues”

500+ employees - \$1,500

With a second the motion carried with none opposed.

**Prioritizing New Committees & Activities** — Will Lutgen distributed a handout summarizing proposed new committees, committee activities and associated costs. In addition to the summaries, the handout contained a matrix and detail cost projections for the committee activities. The following was the outcome of the discussion:

**West-Wide Energy Resource Coordination** – Staff proposed combining three proposed initiatives/committees into a single west-wide activity.

**Western Governors Association** — The Board turned down staff’s proposal for covering the Western Governors Association’s initiatives. However, the goal with respect to WGA initiatives remains the same: Develop and cultivate relationships with the WGA and Western Governors’ offices for the purpose of influencing the implementation of state, regional or national proposals and recommendations contained in *WGA’s Clean and Diversified Energy Report*.

The Board directed staff to focus on a proposal that provides networking opportunities for member utilities with the governors’ representatives to the Western Governors Association.

**Western Electricity Coordinating Council (WECC)** – The Board determined it was not necessary for NWPPA to cover the activities of this organization. Several NWPPA members serve on the WECC Board and various committees.

**NWPPA Western Energy Resources Committee** – The Board approved formation of this committee to monitor new initiatives related to renewables,

green house gas reductions, carbon emissions, tax incentives and related activities across all energy sectors.

The Board directed staff to pursue a less costly or least cost method for pursuing the WGA and Western Energy Resource Committee activities.

Staff will ask the newly approved Western Energy Resources Committee to review and make recommendations to the Board as to which tasks should be pursued by the Association with respect to WGA and present the Board with a proposal and budget for consideration at the May 21 Board meeting in Spokane.

### **Other Activities**

*Power in the Public Interest (PPI)* — Board indicated that NWPPA participation in this activity would be duplication of efforts because some utilities and other associations already participate. The Board encouraged those utilities that want to participate continue to do so on their own. The Board declined to financially participate in PPI, but agreed that NWPPA should keep tabs on PPI activities.

*Safety Committee* — Staff recommends discontinuing this activity. Several attempts to solicit member and board member utilities to participate in fulfilling committee deliverables have been unsuccessful. The Board agreed with this recommendation. No Safety Committee will be formed.

*Educational & Resource Development Committee/Western Power Supply & Transmission Committee (currently Power Supply Workshop Planning Committee)* — This committee is already in existence, operating and delivering value to the membership. No new committee will be formed. The Board asked staff to solicit board members and members-at-large who are interested in this topic to join this committee.

*Northwest RiverPartners* — The Board elected to not contribute money but to support the organizations activities. Individual members already contribute money and were encouraged to continue to do so. Scott Lindsay reviewed the current NWPPA resolution on dams compared to the NW RiverPartners resolution. A new resolution, specific to breaching of the lower Snake River dams will be considered at the next GRC meeting.

Bob Titus moved to support the above directions and with a second the motion carried with none opposed.

### **G. NEXT MEETING**

The next meeting will be May 21, 2007 at the Spokane DoubleTree City Center Hotel in Spokane, Washington.

With no further business the meeting adjourned at 11:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Gossett". The signature is written in a cursive style with a large initial "E" and a long horizontal stroke extending to the right.

Ed Gossett, NWPPA Secretary/Treasurer