

**Minutes of the Regular Meeting of the Okanogan County  
Public Utility District Board of Commissioners**

**Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
January 10, 2006  
12:30 p.m.**

**Present:**

**Board:** Ernest Bolz, David Womack, Donald Johnson  
**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Derek Miller, Warren Miller, Dan Boettger, Steve Brown, Tina DeLap  
**Attorney:** Michael Howe  
**Public:** Claudia Clausnitzer-Okanogan County Housing Authority  
Lael Duncan-Okanogan County Community Action Council  
Bonita Duncan-Okanogan County Housing Authority  
Julia O'Connor-Family Empowerment  
Chris Thew- The Chronicle; Maria Converse, Jeff Hardy-  
Methownet.com; Sam Dunlap, Kathleen Hirschstein, Maeyowa

**Summary Agenda**

1. Call to Order
2. Executive Session
3. Additions/Deletions to Agenda
4. Project Help / Customer Deposits
5. Public Comment
6. Recognition of Telecom-Guest Speaker Tom Jones
7. Telecom Business Plan Discussion
8. EIS Publication Timeline Discussion
9. Discussion on Schedule for Accomplishing  
Cash Management/Capital Projects
10. Washington PUD Association Interconnection Agreement
11. Energy Northwest Disposition of Its Share  
of Nine Canyon Wind
12. Nine Canyon Expansion - Phase III
13. Debt Optimization Plan
14. Election of Board Officers and Assignments
15. Manager's Report
16. Power Supply Report
17. Public Comment
18. Meetings
19. Approval of Minutes
20. Approval of Work Orders
21. Approval of Vouchers
22. Approval of Transfer of Accounts

- 23. Executive Session
- 24. Adjournment

### 1. Call to Order:

President Bolz called the meeting to order at 12:30 p.m.

### 2. Executive Session:

President Bolz recessed the Commission into executive session at 12:32 p.m. for one hour to discuss personnel and litigation issues.

President Bolz reconvened the Commission into regular session at 1:30 p.m.

### 3. Additions/Deletions to Agenda:

A discussion by representatives of Community Action and the Housing Authority regarding customer deposits and Project Help criteria was added after Item 3- Additions/Deletions to Agenda.

A presentation recognizing the PUD's Telecom program was inserted prior to discussion of the Telecom Business Plan.

Following Item 7-Discussion on Schedule for Accomplishing Cash Management /Capital Projects will be discussion regarding adoption of the WPUDA Interconnection Standards Agreement.

Item 8-Energy Northwest Disposition of Its Share of Nine Canyon Wind will be amended to include discussions of Phase III Expansion Expression of Interest, Energy Northwest & PRB and a Debt Optimization report.

### 4. Project Help / Customer Deposits:

Claudia Clausnitzer, Executive Director of Okanogan County Housing Authority, outlined how the Authority funds their programs to provide rental assistance for low income families. She was joined by Lael Duncan, Director of Okanogan County Community Action Council, Bonita Duncan of the Housing Authority and Julia O'Connor of Family Empowerment.

Ms. Clausnitzer requested clarification of policies involving customer deposits, and Project Help criteria. The Board suggested she meet with staff to discuss these issues and offer possible solutions to be presented at a later meeting. Director of Finance Don Coppock suggested interested parties meet with himself and Customer Service Supervisor Kathy Gordon to discuss miscommunications regarding these policies. Coppock noted copies of our

policies are available to anyone interested, and the PUD strives to employ these policies fairly and consistently.

A discussion of possible Project Help criteria amendments will be presented at the January 31st Board Meeting.

#### **5. Public Comment:**

Kathleen Hirschstein commented on availability and size of the Preliminary Final Environmental Impact Statement (PFEIS) and noted her interest in attending workshops to discuss the document.

Maeyowa offered her support of Commissioner Johnson as Board President under Item #9- Election of Officers.

#### **6. Recognition of Telecom - Guest Speaker Tom Jones:**

Tom Jones, Executive Director for Community Choice, commended the PUD on their Fiber Optic system. Community Choice is an organization that applies for grants to benefit medical communities in rural areas. In the past five years they have received \$1,174,757 in outright and matching funds grants, representing a purchasing power of over two million dollars for local hospitals and clinics. These grants help support tele-radiology, the imaging science that is helping reduce the cost of healthcare while improving accessibility to a wider array of medical resources. Community Choice presented a plaque to the Board in appreciation of the PUD's support, commitment and partnership in the creation and operation of the Community Choice Region of Health Information Network.

#### **7. Telecom Business Plan Discussion:**

Telecom Manager Warren Miller gave an updated Telecom Business Plan to the Board for review. The new draft includes more detailed descriptions of future Telecom projects and two different financial models. Discussion of the modified plan will be added to the January 17th Board Meeting agenda.

Issues the Telecom department hopes to address in the upcoming year include development of a fiber optic line extension policy, guidelines for developers constructing new housing developments, fiber system redundancy alternatives and a review of Telecom rates. Revenue generating contracts that require a significant amount of construction will be brought to the Board for approval on a case-by-case basis rather than being included in the budget.

#### **8. EIS Publication Timeline Discussion:**

The PUD Manager is the designated SEPA representative as presented in

Resolution #980 signed in 1984. As lead agency representative, the Manger is responsible for choosing a preferred alternative to be published in the Final Environmental Impact Statement (FEIS). Following its publication, meetings will be held to discuss and comment on the document. While the public is invited and encouraged to attend these meetings, it was noted that the official Comment Period has closed. After public discussion the Board would make the final decision as to what route would be chosen and would move to enter their preferred alternative into the official document.

It was noted that the first publication of the FEIS may not be representative of the Board's final decision. A large number of items will occur after the preferred alternative is decided. The Board reserves the right to request more detailed information on any of the routes at any time prior to making their final decision. Director of Regulatory and Environmental Affairs Dan Boettger pointed out that Environmental Impact Statements are not designed to be all-inclusive, and that the Methow EIS is already quite involved.

Commissioner Johnson protested the change in procedure from the Board of Commissioners selecting the preferred alternative. This agenda item will be tabled until the January 17th meeting, at which time staff will provide the Board with a definition of the process that occurs once a preferred alternative is chosen. Staff will research SEPA professionals who may be available to discuss this issue via teleconference at the next meeting.

#### **9. Discussion on Schedule for Accomplishing Cash Management/Capital Projects:**

Commissioner Johnson entered a motion to table discussion of this item until mid-year. Commissioner Bolz seconded the motion. Commissioner Womack requested that agenda items be dealt with promptly rather than repeatedly postponed. It was noted that capital projects have already been approved through the budget process, so this agenda item is for informational and scheduling purposes only. Upon the vote the motion to table this item until mid-year passed two to one.

#### **10. Washington PUD Association (WPUDA) Interconnection Agreement:**

WPUDA distributed copies of their Interconnection Agreement to member utilities for discussion and adoption at their January 19th meeting. Chief Engineer Derek Miller noted the PUD Association's policy is very similar to Okanogan PUD's existing Net Metering Agreement, with the Association version providing slightly more flexibility to utilities. Miller recommended the Board accept the Interconnection Agreement as written.

Commissioner Womack motioned for the Board to approve the Washington PUD

Association Interconnection Agreement as written. Commissioner Johnson seconded and the motion unanimously carried.

#### **11. Energy Northwest Disposition of Its Share of Nine Canyon Wind:**

Energy Northwest owns a 2 megawatt share of Nine Canyon's Wind Project, which they would like to dispose of. Franklin County PUD would like to purchase Energy Northwest's share. Contractual Agreements state assignment of shares must be approved by project participants such as Okanogan PUD.

Commissioner Johnson moved to approve Franklin County PUD's acquisition of Energy Northwest's 2 MW share of the Nine Canyon Wind Project. Commissioner Womack seconded the motion. Upon the vote the motion passed unanimously.

#### **12. Nine Canyon Phase III Expansion:**

Energy Northwest has proposed the addition of Phase III to their project. They are currently looking for non-binding Letters of Interest prior to proceeding. Additional information and staff recommendations will be presented at the next meeting to facilitate the decision making process.

#### **13. Debt Optimization Plan:**

Bonneville has suggested Energy Northwest extend their financing from the year 2018 to 2024. The Participants Review Board sent a letter against this recommendation. Bonneville requested permission to contact our member on the Board (Don Johnson) to further discuss this issue. Commissioner Johnson conveyed his wish to retire from his position on the Participants Review Board and nominate Commissioner Womack as his replacement, which will occur during the January 17th Participants Review Board Teleconference meeting.

This BPA proposal is similar to the Debt Optimization Program previously presented. Commissioner Johnson will reaffirm the PUD's position against this plan at the Review Board Meeting.

#### **14. Election of Board Officers and Assignments:**

Commissioner Womack nominated Commissioner Bolz for the position of President.

Commissioner Johnson nominated himself for President.

A motion that nominations cease was entered by Commissioner Womack and seconded by Commissioner Johnson. The motion unanimously carried.

Commissioner Bolz requested to abstain from voting. Legal counsel advised there were no conflicts of interest which would justify abstaining from the vote. Upon the vote Commissioner Johnson was elected President of the Board.

Commissioner Bolz nominated himself for the position of Vice President. Commissioner Johnson seconded the motion. No other nominations were presented and the motion was unanimously approved.

Commissioner Womack was elected Secretary of the Board by unanimous approval.

**2006 Committee / Organization Assignments:**

<u>Organization:</u>	<u>Representative:</u>	<u>Alternate:</u>
Energy Northwest	Ernie Bolz	Don Johnson
Energy Northwest Participants Review Board	Ernie Bolz	Don Johnson
Noanet	Warren Miller	Ernie Bolz/ Chuck Berrie
North Central Educational Services District	Don Johnson	
Northwest Public Power Association	Ernie Bolz	Don Johnson
Public Utility Risk Management Services	Fred Burke	
Public Power Council	Chuck Berrie	Ernie Bolz
PUD Association	David Womack	Don Johnson
PUD Association Round Table	Don Johnson	Ernie Bolz

**15. Manager’s Report:**

Training: Manager Berrie, Commissioners Bolz and Womack will attend The NWPPA PUD Board and City Council Leadership Program February 21st & 22nd in Portland.

Energy Northwest Biomass: Energy Northwest is currently reviewing the Memorandum of Understanding for approval.

PUD Association Strategic Planning Committee: This committee meets every other year. Manager Berrie was nominated and will attend their meeting June 7 & 8, 2006.

PUD Manager’s Section: Manager Berrie will be attending the Manager’s Section Meeting in Olympia on January 18th, followed by a meeting with members of the Department of Ecology and Legislators regarding Enloe Dam.

CWPU Hiring Committee: The CWPU Hiring Committee will be conducting interviews of applicants for new legal counsel.

Cattlemen's Association: Manager Berrie will be a Guest Speaker at the Cattlemen's Association Meeting the evening of January 10th.

Enloe: The PUD is moving forward on the Enloe project. The comment period ends soon, the licensing team has met with local agencies and a Memorandum of Understanding with the Tribes is in progress. Discussion was initiated concerning when the integrity of the Dam would be tested.

Audit Report: Audit Reports were received January 10. Copies were distributed to the Board for later review.

#### **16. Power Supply Report:**

Year end data has not been accumulated at this time. Final numbers for year end analysis will be presented at the January 31st Board Meeting.

The PUD ended December as a net wholesale power purchaser of about \$500,000, as opposed to being a net power seller. This situation was triggered by cold weather, restricted water flows and higher energy prices

#### **17. Public Comment:**

Sam Dunlap of the Methow Valley requested clarification of EIS costs. Commissioner Johnson addressed the issues presented. Staff advised most of the information requested is located in the PFEIS document. Chief Engineer Derek Miller provided further clarification and invited Mr. Dunlap to contact him if he had further questions.

Kathleen Hirschstein thanked Commissioners for requesting more information about roads for the Methow EIS project.

#### **18. Meetings:**

There were no meetings to report.

The next Okanogan PUD Board meeting is scheduled for January 17, 2006 with executive session at 12:30 p.m. followed by public comment at 1:30 p.m.

#### **19. Approval of Minutes:**

Commissioner Bolz moved, seconded by Commissioner Womack, to approve the Minutes of the December 13, 2005 regular meeting. The motion unanimously carried.

## 20. Approval of Work Orders:

The following work orders were submitted for approval:

05-0355	George Williams, 11A Wannacut Lake Rd.	\$7,235.00
05-0523	Dave McKee, Greenacres Rd.	7,203.00
05-0536	District, Columbia Ave., Loomis	573.00
05-0556	Jim & Susan Gagliardi, 102 Starr Rd.	4,235.00
05-0558	Dean Maple, 79 Meadow Dr. - Mtn. Hull	601.00
05-0559	District/Oroville School, 817 Ironwood St.	1,971.00
05-0562	Gordan Radke, 1112 Hwy. 7 N.	1,226.00
05-0569	Douglas Howerton, 20 Webber Rd.	2,248.00
05-0570	Keith Stennes, 1378 Hwy. 153	937.00
05-0572	John Christie, Riverside Cutoff Rd.	503.00
05-0574	District, 3rd & Maple	1,520.00
05-0575	District, Fletcher Mtn. Rd., Oroville	1,544.00
05-0576	District, Tonasket-Havillah Rd.	954.00
05-0578	Gene Matt, 27 Omak Mtn. Rd.	683.00
05-0579	District, Nichols Rd.	567.00
05-0580	District, Second Ave., Twisp	2,614.00
05-0581	State of Washington, Frontage Rd.	2,610.00
05-0582	Tom Kammers, 1965 Hwy. 7	4,164.00
05-0583	Danny Shiflett, Hwy. 20	757.00
05-0585	Dale Smith, 26677 Hwy. 97	743.00
05-0586	Qwest, Miller Rd.	773.00
05-0588	Lori Stensgar, Duck Lake	2,195.00
05-0589	Daniel Scott Bennet, 335 Oak St., Omak	919.00
05-0592	Mike Cusick, Pleasant Valley	1,209.00
	Total	\$47,984.00

Commissioner Bolz moved, seconded by Commissioner Womack, to approve the work orders. The motion unanimously carried.

## 21. Approval of Vouchers:

Voucher No.'s 89812 through 89954 in the amount of \$389,604.15, No.'s 89955 through 89961 in the amount of \$679.92, No. 89963 in the amount of \$96,444.45, No.'s 89964 through 89988 in the amount of \$212,841.71, No.'s 89989 through 90097 in the amount of \$165,337.24, No.'s

90098 through 90186 in the amount of \$2,565,817.49, No.'s 90187 through 90209 in the amount of \$198,299.08, and No.'s 90210 through 90293 in the amount of \$167,062.91 were submitted for payment from the revenue fund.

Commissioner Womack moved, seconded by Commissioner Bolz, to approve the vouchers. After discussion and clarifications by Director of Finance Don Coppock the motion unanimously carried.

## **22. Transfer of Accounts:**

The following accounts/invoices were submitted for write-off/collection due to nonpayment:

Olson, Tiffeney Invoice #3129     \$1,720.10

Total \$1,720.10

Commissioner Womack moved, seconded by Commissioner Bolz, to approve the account transfers. The motion unanimously carried.

## **23. Executive Session:**

The meeting adjourned into executive session at 4:17 to discuss personnel matters.

## **24. Adjournment:**

There being no further business to discuss, the meeting adjourned at 4:47 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary