

**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 31, 2006
5:00 p.m.**

Present:

Board: Donald Johnson, Ernest Bolz, David Womack

Staff: Chuck Berrie, Doug Adams, Don Coppock, Warren Miller, Derek Miller, Deb Peters, Dan Boettger, Steve Brown, Tina DeLap

Attorney: Michael Howe

Public: John Umberger, George Wooten, Sam Dunlap
Chris Thew, Chronicle; Rebecca Meadows, KOZI Radio

Summary Agenda

1. Call to Order
2. Executive Session
3. Additions/Deletions to Agenda
4. Consent Agenda Items
 - Minutes
 - Work Orders
 - Vouchers
 - Transfer of Accounts
5. Public Comment
6. Methow Transmission Line EIS Publication Future Meeting Schedule Discussions
7. Methow Transmission Line EIS Preferred Alternative Presentation
8. Telecom Business Plan Discussion and Potential Adoption
9. Public Comment
10. Conservation Rate Credit
11. Tree Trimming Bid Award, Bid #321-06
12. Nine Canyon Phase III Discussion and Letter of Interest
13. Entrix Contract Amendment Authorization
14. Manager's Report
15. Power Supply Report
16. Public Comment
17. Meetings
18. Executive Session
19. Adjournment

1. Call to Order:

President Johnson called the meeting to order at 5:02 p.m.

2. Executive Session:

President Johnson recessed the Commission into executive session at 5:03 p.m. for one hour to discuss personnel and legal issues.

President Johnson reconvened the Commission into regular session at 6:03 p.m.

3. Additions/Deletions to the Agenda:

A discussion of increased funding to Tetra Tech for additions to the Methow Transmission Line EIS was added. This discussion will take place in conjunction with item 6. Methow Transmission Line EIS Publication Future Meeting Schedule Discussions.

Director of Finance / Auditor Don Coppock initiated a discussion regarding representation on the PURMS Board. Chief Accountant Fred Burke will continue to attend meetings as the Employee PUD Representative, and Commissioner Bolz will be the PUD's Board Representative.

4. Consent Agenda Items:

A new procedure for approving Minutes, Work Orders, Vouchers and Transfers of Accounts in one motion was noted. The change was initiated as a time-saving measure.

The Minutes of the January 17, 2006 meeting were submitted for approval.

The following work orders were submitted for approval:

05-0606	District, River Road / Eastside River Road	\$1,783.00
05-0603	District, Jasmine	\$5,331.00
06-0059	District, 2nd Ave Okanogan County PUD	\$745.00
06-0053	District, Malott	\$2,891.00
05-0602	Carten, Ben/Farmer's Insurance, Hendrick & Fiker Road	\$2,646.00
06-0058	District, 744 Ridge Drive W.	\$873.00
06-0052	District, Western Ave, Tonasket	\$897.00
05-0122	North Omak Investment/Tollefson, Senna St. off Shumway	\$4,928.00
06-0063	District	\$2,134.00
06-0068	District, Pleasant Valley	\$3,082.00
06-0067	Deep Bains, 94 Miller Road, Omak	\$2,787.00
05-0340	District, East Side	\$18,734.00

06-0054	Colville Indian Housing Authority	\$2,600.00
	Total:	\$49,431.00

The following vouchers were submitted for approval:

Voucher numbers 90376 through 90399 in the amount of \$206,865.83; vouchers 90400 through 90478 in the amount of \$333,814.97 and voucher numbers 90479 through 90570 in the amount of \$1,659,940.08.

The following transfers of accounts and invoices were submitted for approval:

Innes, Rochne	\$2811.80	(Invoice #3729)
Angeles, Kimberly A	\$166.78	
Cardenas, Alfonso	\$106.62	
Davis, Glenda (Estate)	\$38.11	
Dolecki, Carolyn & Peter	\$93.96	
Harris, Marilyn J.	\$51.47	
Huner, James	\$89.51	
Johnson, Jeanette	\$25.19	
Lara, Richard J.	\$44.00	
Lewis, John A.	\$71.24	
Marshall, Jessica	\$196.03	
Murray, Karen P	\$24.50	
Newton, Dan D.	\$155.10	
Osborne, Erin & Robert	\$95.83	
Pierce, Judith M.	\$115.32	
Thomas, Jody Michael	\$16.20	
Test, Timothy	\$47.73	
Tougas, Andrea & Steven	\$51.86	
Total:	\$4,201.25	

Commissioner Womack entered a motion to approve all consent agenda items as presented.

Commissioner Bolz seconded and the motion passed unanimously.

5. Public Comment:

No public comments were offered at this time.

6. Methow Transmission Line EIS Publication Future Meeting Schedule Discussions:

Dan Boettger presented a draft calendar of events through April 30th regarding the Methow Transmission Project EIS process. Three evening meetings will be scheduled in each of the Commissioners' Districts during the week of April 17, 2006. Regular Board Meetings will be held April 11th and 25th.

The Final Environmental Impact Statement (FEIS) will be amended to include a public comment letter which was received by the Forest Service after the deadline date. Upon further research it was noted that the letter was postmarked on the deadline date, however the Forest Service inadvertently left this letter out when submitting comments to the PUD and Tetra Tech. The letter and attachments are approximately 175 pages long. Including a response to the letter, this will add approximately 200 pages to the EIS. Tetra Tech estimated the cost for inclusion of the letter and response at \$5,200.00.

Commissioner Bolz entered a motion to include the missing letter in the Methow EIS document and pay Tetra Tech for costs associated with its inclusion.

Commissioner Womack seconded the motion. Commissioner Johnson noted his objection to paying additional funds to Tetra Tech.

It was unanimously agreed that the letter and its attachments should be included in the Final Environmental Impact Statement. Upon the vote, Commissioners Bolz and Womack voted in favor of the motion to include the missing letter and pay costs associated with its inclusion. Commissioner Johnson opposed, and the motion passed 2-1.

7. Methow Transmission Line EIS Preferred Alternative Presentation:

Manager Chuck Berrie postponed his recommendation of a preferred alternative to allow adequate time for review of the missing letter and its attachments. The Manager expects to offer his recommendation during the week of February 6, 2006. Upon the decision he will notify the Commissioners, and later the press. The Board will tentatively discuss the Manager's recommendation at the February 14, 2006 Board Meeting.

8. Telecom Business Plan Discussion and Potential Adoption

Telecom Manager Warren Miller presented an updated Telecom Business Plan. The cash flow statement was modified to incorporate Commissioner Johnson's request for inclusion of wholesale loan remaining balances.

Commissioner Bolz moved to accept the Wholesale Telecom Business Plan with the provision that the cash flow statement also indicate the annual loan

principal balance left through the 15 years listed on the cash flow report. Commissioner Womack seconded the motion.

Commissioners Bolz and Womack voted in support of the motion. Commissioner Johnson opposed the motion. The motion to adopt the Telecom Business Plan was approved 2 to 1.

9. Public Comment:

Commissioner Johnson moved Public Comment to immediately after Item #8- Telecom Business Plan Discussion to accommodate members of the public driving during inclement weather.

George Wooten spoke on behalf of Conservation Northwest. Mr. Wooten felt charging \$0.45/page exceeded actual costs for copies and was unreasonable and appeared to be an effort to withhold information. Manager Berrie noted the PUD has been very responsive to George's requests, and that the documents are always available for him to come in and view. Commissioner Johnson asked if Mr. Wooten had actually requested documents in writing. Mr. Wooten acknowledged that he had not actually requested the documents because he could not afford them. Commissioner Womack clarified that it is not withholding information if someone is unwilling to pay established costs for copies.

10. Conservation Rate Credit

Energy Services Coordinators Debra Peters and Steve Brown discussed the new Conservation Rate Credit Program, which replaces the BPA Conservation & Renewables Discount (C&RD) Program. A summary of changes and program highlights were discussed.

Commissioner Bolz entered a motion to accept the staff recommendation to adopt the Conservation Rate Credit Program. Commissioner Womack seconded and the motion carried unanimously.

11. Tree Trimming Bid Award, Bid #321-06

Operations Manager Doug Adams noted \$350,000 was allocated for tree trimming in the 2006 budget. Bid packets were sent out with an addendum to extend the contract one year at the District's option. Two responses were received. Staff recommended accepting the lower bid of \$219,450.00 from Asplundh Tree Experts Inc.

Commissioner Bolz moved to approve the 2006 tree trimming contract with a one year extension upon approval by the District to Asplundh for a not to exceed per year cost of \$300,000. The motion unanimously carried.

12. Nine Canyon Phase III Discussion and Letter of Interest

Energy Northwest is evaluating development of a Nine Canyon Wind Project Phase III. Upon receiving sufficient non-binding letters of interest Energy Northwest will move forward with a feasibility study.

After discussion, staff's recommendation was to sign the letter of interest for a minimum of 2 megawatts of power and a maximum of 8 megawatts to maintain the District's 25% participation in the project.

Commissioner Bolz entered a motion to accept the staff recommendation to sign a letter of interest for a minimum of 2 megawatts and maximum of 8 megawatts of power from the proposed Nine Canyon Wind Project Phase III. Commissioner Womack seconded the motion, which passed unanimously.

13. Entrix Contract Amendment Authorization

During the budget process a new scope of work and contract amount were approved for professional services provided by Entrix, however a formal motion to allow the Manager to sign the amended contract never occurred. It was staff's recommendation to authorize the Manager to enter into a Professional Services Agreement incorporating a new scope of work and contract amount as discussed and approved during budget meetings.

Commissioner Womack moved to accept the recommendation of staff and authorize the Manager to enter into a Contract with Entrix for Professional Services. Commissioner Bolz seconded the motion, which was approved unanimously.

14. Manager's Report

CTED Biomass Study: Negotiations continue on the Memorandum of Understanding (MOU) with Energy Northwest, the Forest Service and the Conservation District regarding Biomass studies. The PUD has received a good review and initial confirmation that Energy NW will be able to complete the scope of work within budget. No major design flaws were noted, and the project is moving forward.

Sales Tax Refund: Chief Accountant Fred Burke has aggressively pursued a sales tax refund on the purchase of the diesel generators. The Wenatchee office of the Department of Revenue denied his original petition. Mr. Burke is currently corresponding with the Department of Revenue in Olympia, who believe the refund may be feasible. Paperwork is being filled out to submit to Olympia in the event a refund is possible.

Service Areas: Manager Berrie will meet with representatives of Ferry County PUD as soon as schedules permit to establish service territories.

SCADA RFP's: Requests for Proposals (RFP's) for the development and implementation of a Supervisory Control and Data Acquisition (SCADA) system were mailed out, with a deadline of February 23, 2006.

15. Power Supply Report

The Power Resource Department did not present a Power Supply report.

16. Public Comment

No further public comments were offered.

17. Meetings

Commissioner Womack traveled January 18th to attend the Washington PUD Association Residential Exchange Workshop and evening Legislative Reception on January 19th, and the Board of Director's Meeting on January 20th.

Commission Johnson will attend a Washington PUD Association Legislation Meeting Thursday, February 2nd and Roundtable Meeting Friday, February 3rd.

Commissioner Womack will be attending Washington PUD Association meetings Thursday, February 2nd and Friday, February 3rd regarding Renewable Portfolio Standards and pending Legislative Bills.

Commissioner Bolz will attend the NoaNet Board Meeting February 7th and 8th with Telecom Manager Warren Miller.

Commissioner Womack will attend a Washington PUD Association Ballot Measures Workshop February 16th at 9:30 am.

Commissioner Johnson attended a teleconference of the Energy Northwest Participant's Review Board and Executive Board January 26th.

The next Okanogan PUD Board meeting is scheduled for February 14, 2006 with executive session at 12:30 p.m. followed by public comment at 1:30 p.m.

18. Executive Session

The Board convened into Executive Session at 8:27 p.m. and reconvened into Regular Session at 8:30 p.m.

19. Adjournment

There being no further business to discuss, the meeting adjourned at 8:31 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President

David A. Womack, Secretary