

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
February 28, 2006
Executive Session 5:00 PM
Regular Session 6:00 PM**

Present:

Board: Donald Johnson, Ernest Bolz, David Womack

Staff: Chuck Berrie, Doug Adams, Don Coppock, Dan Boettger, Warren Miller, Julie Pyper

Attorney: Michael Howe

Public: Chris Thew - Chronicle, Bill Swayze—Community Net, Dayla Culp, Tiffany Wyatt, Sam Dunlap, Daniel McHenry, Kathleen Hirschstein, Vicky Welch, Maeyowa, George Wooten, Billy Ridenour, C. Baire

Summary Agenda

- I. Call to Order
- II. Approval of Agenda
- III. Consent Agenda Items
 - Minutes of 2-14-06 Meeting
 - Vouchers
 - Work Orders
- IV. Public Comment
- V. Action Agenda
 - A. Old Business
 1. Telecommunications - new wholesale Internet rate schedule
 2. Methow Transmission Project - informational meetings format
 3. Discussion of cash management, capital projects & rate schedules
 4. Resolution No. 1311 - approving Energy Northwest's undertaking of Nine Canyon Phase III Wind Project
 5. Resolution No. 1312 - declaring emergency of Enloe Dam logjam
 - B. New Business
 1. Manager Task Priorities
 2. Manager's Report
 3. Meetings
- VI. Public Comment
- VII. Adjournment

I. Call to Order:

President Johnson called the meeting to order at 5:00 p.m. and recessed the Commission into a one-hour executive session for litigation purposes and negotiations.

President Johnson reconvened the Commission into regular session at 6:00 p.m.

II. Approval of Agenda:

Manager Berrie added to the agenda a Resolution to declare an emergency for a logjam removal behind Enloe Dam. The Telecom rate schedule discussion was moved to the first item of business.

Commissioner Womack moved, seconded by Commissioner Bolz, to approve the agenda as amended. The motion unanimously carried.

III. Consent Agenda Items:

The Minutes of the February 14, 2006 meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 90755 through 90776 in the amount of \$220,634.48; vouchers 90777 through 90870 in the amount of \$111,246.06; vouchers 90871 through 90873 in the amount of \$256,380.94, and vouchers 90874 through 90944 in the amount of \$1,757,898.93.

The following work orders were submitted for approval:

05-0461	Veranda Beach, Osoyoos Lake	\$10,574.00
05-0550	Lance McGuire, 860 Hwy. 153	\$ 2,867.00
06-0002	Lurene Yost, 1140 Hwy. 7	\$ 940.00
06-0002&3	District, 25 Swanson Mill Rd.	\$ 742.00
06-0056	Stuart Ramsey, 11B Holmes Rd.	\$ 4,180.00
06-0073	Allen Allie, Ernie Robinson Rd.	\$ 4,545.00
06-0074	District, Ernie Robinson Rd.	\$ 4,057.00
06-0077	Dwight Birge, 390 Chesaw Rd.	\$ 4,067.00
06-0083	David Edwards, Harris Rd.	\$ 2,496.00
06-0084	Julia Sanderson, 657 Havillah Rd.	\$ 7,570.00
06-0087	District, Southern area	\$ 8,457.00
06-0089	Melvin & Sue Gallagher, 32854 Hwy. 97	\$ 3,676.00
06-0090	Justina Bolz, 252 2nd St. E.	\$ 3,489.00
06-0091	Joe & Melika Glover, 46 Truman Nelson Rd.	\$ 3,647.00

06-0093	Verizon, Aeneas Valley Rd.	\$ 2,833.00
06-0097	Darcy Jackson, 101 Ellemeham Mtn. Rd.	\$ 4,309.00
06-0099	Snohomish County PUD	\$ Actual Cost
06-0101	District, Truman Nelson Rd.	\$ 2,956.00
06-0107	District, 27 Pogue Rd.	\$ 1,230.00
06-0109	District, mouth of the Okanogan River	\$ 601.00
06-0110	Gebbers Farms, Monse River Rd. S.	\$ 645.00
06-0111	District, Pateros	\$ 1,997.00
06-0120	District, Poechmann Rd.	\$ 2,162.00
06-0124	Dept. of Transportation, Hwy. 97 & Rodeo Trail	\$ 2,557.00
06-0125	Doug Sheets, 105 Nichols Rd., Omak	\$ 1,509.00
	Total:	\$82,106.00

Commissioner Womack moved, seconded by Commissioner Bolz, to approve the consent agenda. The motion unanimously carried.

IV. Public Comment:

Kathleen Hirschstein of Carlton inquired about the procedure for appeal in regards to the Methow Transmission Project EIS decision and asked if there had been application made for any project permits. She pointed out there was a dire need to replace the transmission line because it is so old.

Sam Dunlap noted that the April 17-19, 2006 public meetings should be an opportunity for the Commissioners to hear from the public.

Vicky Welch of Twisp requested that future and projected costs of rebuilding the Loup Loup and rebuilding the Methow distribution line be included in the discussion of capital projects.

Maeyowa of the Methow felt the Manager's comments were misleading in the February 1, 2006 Chronicle about line losses and PACE's EIS comments being mailed late and to the incorrect address.

George Wooten of Twisp resubmitted his February 14, 2006 letter to the Commissioners and questioned the accuracy of the Loup Loup transmission line outage data. He requested a copy of the Forest Service's letter position on the EIS.

V. Action Agenda:

A. Old Business

1. Telecommunications - new wholesale Internet rate schedule:

Telecom Manager Warren Miller presented Resolution No. 1310 establishing new Internet rates on the District's Telecommunications System effective either January 1, 2006 or February 28, 2006. The modification would reduce rates to the District's Internet Service Providers in accordance with NoaNet's reduction for Internet services effective January 1, 2006, allowing the utility an opportunity to be more competitive in the market place.

Commissioner Womack moved, seconded by Commissioner Bolz, to adopt Resolution No. 1310 rescinding the existing wholesale Internet rate and adopting the Wholesale Internet Rate Schedule effective February 28, 2006. Commissioner Johnson was reluctant to support an Internet rate decrease without a projection for decreased electric ratepayer debt. Upon the vote, the motion passed two to one with Commissioner Johnson opposed.

2. Methow Transmission Project - informational meetings format:

The Board discussed the purpose and format for the April 17-19, 2006 Methow Transmission Project Environmental Impact Statement public meetings. Public meetings on the EIS are scheduled at 6:00 p.m. on April 17th at the Tonasket Whistler's Restaurant meeting room, April 18th at the Omak City Hall council room, and April 19th at the Twisp Grange.

Following discussion, Commissioner Womack moved, seconded by Commissioner Bolz, to hear at the March 21, 2006 meeting a staff presentation/recommendation on the Methow Transmission Project EIS, followed on March 21st by a Board discussion/dialogue on route selection, with individual Commissioner's positions to be presented in draft form and made available as a press release and web entry. The motion unanimously carried.

3. Discussion of cash management, capital projects & rate schedules:

Future workshops will be held to establish direction/goals for capital projects and the impact on cash management and rate schedules. The Board supported having a third party conduct a rate study.

4. Resolution No. 1311 - approving Energy Northwest's undertaking of Nine Canyon Phase III Wind Project:

Manager Berrie presented Resolution No. 1311 approving Energy Northwest's undertaking of the Nine Canyon Phase III Wind Project. Although the District has formally expressed interest in acquiring output capacity from the proposed Nine Canyon Phase III Wind Project, it is necessary to adopt a resolution authorizing Energy Northwest's development of the project. The District's action to approve the project does not incur any financial obligation.

Commissioner Bolz moved, seconded by Commissioner Womack, to adopt Resolution No. 1311. The motion unanimously carried.

5. Resolution No. 1312 - declaring emergency of Enloe Dam logjam:

Manager Berrie informed the Board that a logjam has formed behind Enloe Dam on the Similkameen River. The Department of Ecology Dam Safety Division recommended in a letter dated February 13, 2006 that the PUD remove the log jam as soon as it can be safely done as the presence of the logjam threatens the dam. Because of concerns due to the lack of time before spring runoffs, Resolution No. 1312 was drafted to declare the removal of the existing logjam behind Enloe Dam as a safety issue and therefore an emergency condition.

Commissioner Womack moved, seconded by Commissioner Bolz, to adopt Resolution No. 1312. The motion unanimously carried.

B. New Business:

1. Manager Task Priorities:

President Johnson noted that the Board evaluates the Manager's performance each year. Manager Berrie was not presented with a list of task priorities upon hiring, which left Commissioners without any criteria to complete a performance evaluation. The Board compiled a tentative list and the Manager expanded it into a spreadsheet to be presented to the Board for prioritization and evaluation at a later meeting.

2. Manager's Report:

Methow EIS: The final EIS is expected to be mailed from Seattle on March 7, 2006. An electronic version will be placed on the District's website and CD copies made available.

Software Upgrade: A Request for Proposals was released for a Comprehensive Integrated Computer System, with responses due April 12, 2006.

PUD Association Building Project: The District was invoiced \$44,459 as its first of three annual installments for the PUD Association new office building in Olympia. Because the project had not moved forward until recently, only \$21,000 of that amount had been budgeted.

CWPU Hiring: Manager Berrie is on the committee interviewing candidates for a new Central Washington Public Utilities labor attorney on March 22-23, 2006.

Energy Northwest: ENW is requesting expressions of interest for acquiring

power generation capacity from Pacific Mountain Energy Center, a 600 MW IGCC power generation project in Kalma, WA.

2. Power Report:

A power report will be presented at the March 7, 2006 meeting.

3. Meetings:

Commissioner Womack provided a report following his attendance at the February 15-17, 2006 Washington PUD Association building committee and legislative committee meetings, and a workshop on guidelines for local government agencies in election campaigns.

The next Okanogan PUD Board meeting is scheduled for March 7, 2006 with executive session at 12:30 p.m. followed by regular session at 1:30 p.m.

The Commissioners plan to attend the March 15-17, 2006 Washington PUD Association meetings at the Southcenter Doubletree in Seattle.

VI. Public Comment:

Vicky Welch recognized the Board for supporting wind projects. She favored the District having a rate advisory committee.

Kathleen Hirschstein clarified the schedule of events on the Methow Transmission Project.

VII. Adjournment:

There being no further business to discuss, the meeting adjourned at 8:38 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President

David A. Womack, Secretary