

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

Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA

April 25, 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, Larry Felton, Debra Peters, Ron Gadeberg, Steve Brown, Julie Pyper

Attorney: Michael Howe

Public: Chris Thew - Chronicle, Trish Butler

Summary Agenda

- I. Call to Order
- II. Approval of Agenda
- III. Consent Agenda Items
  - Minutes
  - Vouchers
  - Work Orders
- IV. Public Comment
- V. Action Agenda
  - A. Old Business
    1. Energy Northwest
      - Discussion of Executive Board Positions
    2. Commissioner Pre-Tour System Presentation
    3. Power Report
    4. Conservation Program
      - Commercial Lighting Project Customer Discussion
    5. Tree Trimming Discussion
    6. Board Discussion/Response to Letters in Newspapers
  - B. New Business
    1. Manager's Report
    2. 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 executive session for one hour to discuss litigation issues, with no action anticipated.

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

## II. Approval of Agenda:

Commissioner Womack added to the agenda a Board discussion/response to letters in the newspapers.

Manager Berrie added to the agenda a tree trimming discussion, and a conservation program/commercial lighting project customer discussion.

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

## III. Consent Agenda Items:

The Minutes of the April 11, 2006 meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 91484 through 91507 in the amount of \$218,406.19, vouchers 91508 through 91596 in the amount of \$307,998.18, voucher 91597 in the amount of \$117,129.86, vouchers 91598 through 91695 in the amount of \$1,226,953.94, and vouchers 91696 through 91697 in the amount of \$24,043.06.

The following work orders were submitted for approval:

|            |  |              |
|------------|--|--------------|
| 05-0318    | District, Oroville                         | \$ 19,305.00 |
| 05-0337    | Okanogan Co. Public Works, Robinson Canyon | \$ 55,506.00 |
| 05-0338    | District, Robinson Canyon                  | \$ 39,648.00 |
| 06-0002&03 | District, 309 Rodeo Trail                  | \$ 608.00    |
| 06-0057    | Eastbay Estate, Douglas & 3rd St.          | \$ 11,534.00 |
| 06-0071    | District, Winesap Ave.                     | \$ 9,323.00  |
| 06-0079    | District, 38 Westlake Rd.                  | \$ 862.00    |
| 06-0102    | District, 70 Moomaw Rd.                    | \$ 1,226.00  |
| 06-0113    | District, Airport Rd.                      | \$ 7,989.00  |
| 06-0114    | District/Telecom, Airport Rd.              | \$ 9,457.00  |
| 06-0120    | District, Poechmann Rd.                    | \$ 2,162.00  |
| 06-0121    | Lee Franks Mercantile, 314 Whitcom Ave.    | \$ 1,949.00  |

|         |   |                           |
|---------|---|---------------------------|
| 06-0132 | District, Hwy. 153 @ M.M 16.10                        | \$ 1,708.00               |
| 06-0133 | District, Hwy. 153 around M.M. 2                      | \$ 2,960.00               |
| 06-0135 | District, Thorndike Loop Rd.                          | \$ 5,685.00               |
| 06-0138 | Ty Olson, Frontage Rd. N. of Midway Bldg. Supply      | \$ 5,263.00               |
| 06-0139 | District, Omak \$ 7,342.00                            | 06-0140 District Lone St. |
| 06-0142 | District, Dewberry Ave., Omak                         | \$ 653.00                 |
| 06-0143 | Tony Holan, Sage Hills                                | \$ 4,669.00               |
| 06-0144 | Ron Moon, Conconully Hwy.                             | \$ 686.00                 |
| 06-0147 | Don Doering, 47 Okanogan Cemetery Rd.                 | \$ 574.00                 |
| 06-0149 | Robert Oakes, 1 W. Bonaparte St.                      | \$ 1,007.00               |
| 06-0150 | Kruse Electric/Bill Roberts, 515 N. Birch, Omak       | \$ 586.00                 |
| 06-0152 | Cliffside Orchards/Chesledon, 802D Monse River Rd.    | \$ 1,577.00               |
| 06-0153 | WA Dept. of Transportation, N. entrance to Crumbacher | \$ 696.00                 |
| 06-0155 | Christy Salzman, Crumbacher Rd.                       | \$ 1,482.00               |
| 06-0157 | Darren Schmidt, 52 Oakes Dr.                          | \$ 1,067.00               |
| 06-0160 | District/Clinedinst, 423 Nealy Rd.                    | \$ 3,932.00               |
| 06-0161 | Doug Sundby, Fox Mtn. Rd.                             | \$ 3,701.00               |
| 06-0163 | District, 2.25 Miles up Hwy. 153                      | \$ 2,453.00               |
| 06-0165 | Tim Pecha, Koala St.                                  | \$ 5,713.00               |
| 06-0167 | Danny Roe, Lot 55, Div. 8, Nine Mile Ranches          | \$ 5,748.00               |
| 06-0168 | Nextel Cell Tower, Jack Ass Butte                     | \$ 3,145.00               |
| 06-0169 | District, Tonasket                                    | \$ 984.00                 |
| 06-0171 | District/Derek Olma, Fancher Rd.                      | \$ 5,077.00               |
| 06-0172 | Bobby Ingram, Malott Rd.                              | \$ 2,099.00               |
| 06-0174 | District, 1120 Hwy. 7                                 | \$ 2,599.00               |
| 06-0175 | District, Tonasket                                    | \$ 684.00                 |
| 06-0178 | Mansfield & Johnson Plat (Phase II), Mansfield Rd.    | \$ 4,493.00               |
| 06-0180 | David Lorenzen, 90 Benson Creek                       | \$ 5,881.00               |
| 06-0185 | Ryan Anthony, Omak/Riverside Eastside Rd.             | \$ 6,553.00               |
| 06-0186 | David Gasho, 142 Crumbacher Rd.                       | \$ 1,031.00               |
| 06-0187 | John Goroch, 5 mi. S. of Malott on Hwy. 97            | \$ 1,620.00               |
| 06-0190 | District, Riverside                                   | \$ 1,579.00               |
| 06-0191 | Carl Peterson, Hwy. 97 M.P. 297 S. of Riverside       | \$ 3,867.00               |
| 06-0192 | District, Okanogan                                    | \$ 851.00                 |
|         | Total:  | \$258,534.00              |

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

#### IV. Public Comment:

Chris Thew of the Chronicle expressed his opinion on the impropriety of a Commissioner using a personal email address for District business.

## V. Action Agenda:

### A. Old Business

#### 1. Energy Northwest - Discussion of Executive Board Positions:

The Commissioners discussed their candidate choices for the five open positions on the Energy Northwest Executive Board. The election will take place at the Energy Northwest Board of Directors meeting on April 26, 2006.

#### 2. Commissioner Pre-Tour System Presentation:

Operations Manager Doug Adams provided an overview of the District's electrical system, maintenance procedures and an explanation of the industry operational and reliability standards used to evaluate system performance. This information was presented in preparation for the capital project tour scheduled as a special Board meeting on April 28, 2006 at noon.

#### 3. Power Report:

Larry Felton and Ron Gadeberg of the Power Resource Department presented a revised budget forecast for surplus wholesale and retail electric sales in 2006. As a result of the abundant snow pack throughout the West this year and the resulting drop in wholesale prices, the revised budget anticipates a slight increase in sales from \$8 million to \$8.4 million.

BPA has submitted a Customer Pre-Pay proposal for customers who are interested in making liquidity cash available to BPA on a temporary basis through pre-paying up to three months of their power bills. BPA estimates that this could reduce rates approximately one-third of a \$/MWh if BPA were to contract for \$50 million of liquidity cash. To participate, BPA must have a firm commitment by May 1, 2006. As a BPA Slice participant, this would only apply to the District's Block purchases.

Commissioner Bolz moved, seconded by Commissioner Womack, to authorize the Manager to enter into a Customer Pre-Pay Agreement with BPA upon review by staff and in consultation with other PUDs and the Public Power Council, and providing that it is revenue positive for the PUD and includes a sufficient termination date. The motion unanimously carried.

#### 4. Conservation Program - Commercial Lighting Project Customer Discussion:

Debra Peters and Steve Brown of the Energy Services Department informed the Board that one of the District's large commercial customers is proposing a commercial lighting retrofit project under the BPA Conservation Rate Credit program, which exceeds the Board authorized conservation incentive payment of \$25,000. The total rebate to the customer would be approximately \$119,982, and the project has the potential to save 1.56 million kWh annually.

Following discussion, the Board was receptive to authorizing the project and other like projects on a case by case basis. Representatives of the commercial customer and engineering firm involved in the project will be in attendance at the May 9, 2006 meeting.

#### 5. Tree Trimming Discussion:

Staff noted the District has begun its tree trimming program on a three-year industry standard basis. The importance of giving customers prior notification of tree trimming was discussed.

#### 6. Board Discussion/Response to Letters in Newspapers:

Commissioner Womack noted that letters to the editors of newspapers have contained misunderstood or misrepresented information about the Board's decision on the Methow Transmission Line project. He suggested the Board or Manager may want to discuss the process in a letter to the editor or on Open Line. Following discussion, no action was taken.

### B. New Business:

#### 1. Manager's Report:

Manager Berrie reported on the following:

The biomass feasibility study should be completed by the end of 2006.

Energy Northwest has requested what the District's non-binding level of interest would be if carbon sequestration is a component of the final design and construction of Energy Northwest's Pacific Mountain Energy Center.

Following discussion, Commissioner Womack moved, seconded by Commissioner Bolz, to authorize the Manager to notify Energy Northwest that the District's non-binding level of interest would be in the 10-30 mw range if carbon sequestration is a component of the final design and construction of Energy Northwest's Pacific Mountain Energy Center. Commissioner Johnson did not support responding with a determined level of interest at this time. Upon the vote, the motion carried two to one with Commissioner Johnson opposed.

The Tonasket wireless telecommunication tower is operational; an easement has been obtained for a tower on Eder Mountain east of Oroville; and landowner negotiations are underway for a selected site in the Brewster/Pateros area.

## 2. Meetings:

Commissioner Bolz reported that he attended at a NoaNet Board of Directors meeting in Seattle on April 12, 2006.

A special meeting is scheduled for April 28, 2006 at 12:00 p.m. for the Commissioners to tour the proposed 2006 capital budget projects. The next Okanogan PUD regular Board meeting is scheduled for May 9, 2006 with executive session at 12:30 p.m. followed by regular session at 1:30 p.m.

## VI. Public Comment:

No public comment was offered.

## VII. Adjournment:

There being no further business to discuss, the meeting adjourned at 8:25 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President

David A. Womack, Secretary