

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

**Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
June 20, 2006 -- 12:30 PM**

**Present:**

**Board:** Donald Johnson, David Womack

**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Larry Felton, Warren Miller, Ron Gadeberg, Debra Peters, Steve Brown, Julie Pyper

**Attorney:** Michael Howe

**Public:** Andrew Metcalfe & Jenny Rickel - NTI, Inc.  
Chris Thew - Chronicle  
Trish Butler, David Groomes

**Summary Agenda**

I. Call to Order

II. Approval of Agenda

III. Consent Agenda Items

- Minutes
- Vouchers
- Work Orders
- Transfer of Accounts

IV. Public Comment

V. Action Agenda

A. Old Business

1. Northwest Telephone, Inc.  
-- Dark Fiber Lease Request
2. Sale of Green Tags - Nine Canyon Wind Project
3. Enloe Dam Hydroelectric Project  
-- R2 Resource Consultants Contract  
-- Entrix, Inc. Contract Amendment
4. Computer Software Recommendation
5. Resolution No. 1315  
-- Declaring Equipment Surplus
6. Twisp Office Lease Agreement

B. New Business

1. Manager's Report
2. Power Report
3. Meetings

VI. Public Comment

VII. Executive Session  
VIII. Adjournment

**I. Call to Order:**

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

**II. Approval of Agenda:**

Commissioner Womack moved, seconded by Commissioner Johnson, to accept the June 20, 2006 agenda. In discussion, Manager Berrie requested that the agenda also include the Twisp Office Lease Agreement. Upon the vote, the motion unanimously carried.

**III. Consent Agenda Items:**

The Minutes of the May 30, 2006 meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 92184 through 92237 in the amount of \$368,175.86, vouchers 92238 through 92239 in the amount of \$87,562.09, vouchers 92240 through 92264 in the amount of \$225,623.18, vouchers 92265 through 92360 in the amount of \$419,293.94, and vouchers 92361 through 92436 in the amount of \$374,671.94.

The following work orders were submitted for approval:

05-0067	District, Okanogan	\$ 50,301.79
05-0068	District, Okanogan	\$ 51,785.12
05-0184	District, Okanogan Substation	\$161,520.00
05-0212	District/Salmon Creek	\$ 58,871.00
05-0410	William Palmer, Lot 176, Okanogan River Ranches	\$ 6,895.00
05-0457	Mike O'Leary, 16 Mountain View Dr.	\$ 11,769.00
05-0562	Gordon Radke, 1112 Hwy. 7 N. (Rev. #1)	\$ 1,226.00
06-0081	Bill Taylor, Neal Circle Rd.	\$ 13,135.00
06-0130	Home Depot, Engh Rd.	\$ 32,260.00
06-0134	Tacoma Land Co., Nine Mile Ranches, Div. 8	\$ 34,065.00
06-0151	Gebbers/Buckhorn Logging, Paradise Hill	\$ 4,139.00
06-0169	District, Tonasket	\$ 984.00
06-0175	District, Tonasket	\$ 684.00
06-0187	District/Howard Asmussen, Loomis-Oroville Rd.	\$ 9,084.00
06-0195	Elmer Todd, 1698 Tunk Creek Rd.	\$ 3,000.00

06-0212	Willard Smith, 232 Greenacres Rd.	\$ 1,670.00
06-0221	Bert Sasse, 277 Hagood Cutoff Rd.	\$ 3,827.00
06-0226	Randy Brown, 6 Aspen Way	\$ 4,074.00
06-0228	Bill McDaniel, Omak/Riverside E. Rd. (Rev. #1)	\$ 3,759.00
06-0240	Jake Taylor, Moomaw Rd.	\$ 4,946.00
06-0244	James Chevalier, Lot 1169, Okan River Ranches #7	\$ 2,847.00
06-0253	Mike & Sheri Wyle, Lot 1, Okan River Ranches #3	\$ 4,542.00
06-0254	Mark Smith, Lot 4, Div. 6, Nine Mile Ranches	\$ 6,200.00
06-0258	Ron Carstens, 108 VanderSheldon Rd.	\$ 8,335.00
06-0263	Gerald & Carol Sanderson, Lot 17, Div. 1, Nine Mile Ranches	\$ 5,699.00
06-0265	Alta Lake Golf Course, Pateros	\$ 3,774.00
06-0269	Barbara Britt, 401A Cape Labelle Rd.	\$ 11,645.00
06-0273	Philip Lester, 11 Rone Rd.	\$ 2,610.00
06-0277	Qwest, Bill Shaw Rd.	\$ 2,911.00
06-0278	Dan Roberge, Riverview Heights, Brewster	\$ 3,604.00
06-0280	Jim Anderson, Rawhide Rd.	\$ 9,416.00
06-0281	Apple House, 510 7th St. N., Brewster	\$ 8,850.00
06-0282	Doug Ralston, 28 B & O Rd.	\$ 2,826.00
06-0286	Mike Hamstra, Foothills Way & Rattlesnake Rd.	\$ 1,983.00
06-0288	Phil Davis, 271 Benson Creek Rd., Twisp	\$ 3,721.00
06-0298	District, Squaw Creek	\$ 1,810.00
06-0299	District, Lottie Ave., Conconully	\$ 4,731.00
06-0301	Bill Hottel, 305 Twisp Ave.	\$ 2,949.00
06-0302	Randy Moore/Lightning Pine RV, 331C Burma Rd.	\$ 1,551.00
06-0303	Harold Jensen, Hwy. 7	\$ 5,743.00
06-0304	Donald Hoffman, 76 Westlake Rd.	\$ 4,094.00
06-0306	District, Paradise Hill	\$ 5,123.00
06-0313	Rajbir Singh, 238 Duck Lake Rd.	\$ 581.00
06-0316	Bill Graham, 1733F N. Pine Creek Rd.	\$ 1,393.00
06-0317	Mark Mitzelfeldt, 82 Moon Dust Rd.	\$ 1,956.00
06-0318	Kenneth Berge, 203 Buzzard Lake Rd.	\$ 8,195.00
06-0320	District, Omak/Riverside E. Rd.	\$ 1,812.00
06-0322	Dale Saulsbury, Keystone Rd.	\$ 6,012.00
06-0325	District, 86 Old Riverside Hwy.	\$ 1,148.00
06-0327	Home Depot/City of Omak, Engh Rd.	\$ 2,717.00
06-0328	District, 581 Salmon Creek Rd.	\$ 8,264.00
	Total:	\$595,036.91

Submitted for transfer was Arnold K. Holand's delinquent closing bill of

\$2,097.61 from his irrigation account #8218-0 to his residential account #6176-2.

Also submitted for transfer was invoice #4074 in the amount of \$25 to account #48359-4 in the name of Marty Dobson.

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

#### **IV. Public Comment:**

There was no public comment.

#### **V. Action Agenda:**

##### **A. Old Business**

##### **1. Northwest Telephone, Inc. -- Dark Fiber Lease Request:**

Andrew Metcalfe and Jenny Rickel of Northwest Telephone, Inc. (NTI) presented a request to lease dark fiber on Okanogan PUD's fiber network. As a telecommunications company focused on rural and underserved markets, NTI requires dark fiber leases to execute its business plan and believes that the District's infrastructure should be leveraged to encourage other carriers to enter the market.

It was noted that Okanogan PUD has not provided dark fiber to any of its retail service providers in the past and does not plan to offer any dark fiber in the future. Since its fiber network has been in existence, the District has accommodated the needs of service providers with lit services. Staff offered to meet with NTI to explore lit services in more detail and update the Board at a future meeting.

##### **2. Sale of Green Tags - Nine Canyon Wind Project:**

Staff presented a proposed Green Tag Supply Agreement between Okanogan PUD and the Bonneville Environmental Foundation (BEF) for the sale of 96% of all green tags produced in 2006 from the District's share of the Nine Canyon Wind Project. The BEF will purchase 42,000 tags at \$3.15 per tag for an estimated total value of \$132,300. It was noted that one green tag is associated with one megawatt-hour of energy produced from a renewable energy source.

Commissioner Womack moved, seconded by Commissioner Johnson, to authorize the Manager to enter into a contract with the Bonneville

Environmental Foundation for the sale of green tags from the Nine Canyon Wind Project. The motion unanimously carried.

### **3. Enloe Dam Hydroelectric Project:**

#### **R2 Resource Consultants Contract:**

Staff presented an Agreement for Professional Services with R2 Resource Consultants to assist the District with fishery engineering issues in support of the District's FERC License Application for the Enloe Hydroelectric Project. The budget estimate of \$20,000 will reduce a like amount in the main Entrix budget.

Commissioner Womack moved, seconded by Commissioner Johnson, to authorize the Manager to enter into a contract with R2 Resource Consultants in an amount not to exceed \$20,000. The motion unanimously carried.

#### **Entrix, Inc. Contract Amendment:**

The agencies involved in licensing the Enloe Dam Hydroelectric Project have determined that additional cultural and archaeological studies are necessary. In addition, a cultural assessment will be required for the District to place two poles on a bench above Enloe Dam to receive a broadband radio signal necessary to update the PUD's Emergency Action Plan and then tie a communication line to the Dam. Entrix, Inc.'s estimated cost of completing the project is approximately \$13,300 for the 800' foot section, including the survey. As an alternative proposal, staff introduced the concept of building a two-mile communication link along a different route that would most likely not involve the need for cultural studies and could also serve potential customers. In comparison, the cost for fiber would be approximately \$15,000/mile. Additional information will be presented at a future meeting.

### **4. Computer Software Recommendation:**

Staff presented a recommendation for the purchase of a new computer software system as provided in the 2006 budget. Three vendors responded to the District's Request for Proposals -- Daffron and Associates, Inc., Harris Computer Systems and National Information Solutions Cooperative (NISC). Following an extensive review, the member owned cooperative of NISC was selected as the best fit for the District's needs. NISC bid \$116,868 for the initial hardware, conversion and installation costs, and \$85,392 for annual maintenance charges; however, actual costs will not be known until the project scope and time tables are established.

Pending further review, Commissioner Womack moved, seconded by Commissioner Johnson, to authorize the Manager and staff to begin

negotiations with National Information Solutions Cooperative for a computer software system. The motion unanimously carried.

#### **5. Resolution No. 1315 -- Declaring Equipment Surplus:**

The Board considered Resolution No. 1315 declaring certain equipment surplus and authorizing the sale or disposal thereof.

Commissioner Womack moved, seconded by Commissioner Johnson, to adopt Resolution No. 1315. The motion unanimously carried.

#### **6. Twisp Office Lease Agreement:**

Staff presented a Lease Agreement for the District's rental of customer service office space in the Methow Valley Community Center in Twisp. The term of the proposed lease is three years commencing July 1, 2006. The monthly rental charge for the facilities of \$850 per month includes all utilities except internet and telephone.

Commissioner Womack moved, seconded by Commissioner Johnson, to authorize staff to enter into a three-year Lease Agreement with the Methow Valley Community Center to lease office space for the PUD Twisp office. The motion unanimously carried.

### **B. New Business:**

#### **1. Manager's Report:**

The Manager's report included the following information:

- Staff will be bringing to the Board for future discussion information on developing a large single load electric rate.
- The Washington PUD Association has invited its members to be a "Platinum Partner" in the Association's proposed Olympia headquarters building. A Platinum rating is the highest standard given by the U.S. Green Building Council. (The Okanogan PUD Board was opposed to participating in the Platinum partnership voluntary assessment.)
- Manager Berrie began serving last month on the Washington PUD Association Strategic Planning Committee.
- CNI has started work removing the diesel generators from the Ophir site.
- The Fox Mountain above Malott is proposed as the next wireless site after the Brewster wireless tower is operational.

#### **2. Power Report:**

The wholesale and retail sales forecast was revised to reflect a \$2 million net gain over budget projections from January through May 2006. The wholesale projection after the first quarter to the end of the year was revised upward from \$8.0 million to \$8.4 million. Excess water attributed to more surplus than expected.

### **3. Meetings:**

The next Okanogan PUD Board meeting is scheduled for July 11, 2006 with regular session at 12:30 p.m.

### **VI. Public Comment:**

No public comments were offered.

### **VII. Executive Session:**

President Johnson recessed the Commission into executive session at 2:20 p.m. for 30 minutes to discuss litigation with no action anticipated.

### **VIII. Adjournment:**

President Johnson reconvened the Commission into regular session at 2:45 p.m. There being no further business to discuss, the meeting adjourned at 2:45 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President

David A. Womack, Secretary