

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
July 11, 2006
12:30 PM**

Present:

Board: Donald Johnson, Ernest Bolz, David Womack

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

Attorney: Michael Howe

Public: Dave Bouchard - NWPPA
Chris Thew - Chronicle
Al Hymer, Bob Williams, Trish Butler, Ken Sletten

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. NWPPA Utility Visit
 2. Budget Item Revisions
 3. Nine Canyon Phase III Update
 4. Computer Software Agreement Update
 5. Set Board Meeting Schedule
 - 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:

Manager Berrie removed from the agenda the Enloe Dam/Entrix, Inc. contract amendment approval.

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 June 20, 2006 meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 92437 through 92461 in the amount of \$211,014.66, vouchers 92462 through 92550 in the amount of \$1,292,581.90, vouchers 92551 through 92608 in the amount of \$475,165.71, vouchers 92609 through 92635 in the amount of \$225,012.25, vouchers 92636 through 92723 in the amount of \$255,873.45, and voucher 92724 in the amount of \$91,599.21.

The following work orders were submitted for approval:

05-0174	Steve Dengler, Sough Dough Rd.	\$ 3,951.00
05-0569	Douglas Howerton, 20 Webber Rd. (Rev. #1)	2,626.00
06-0004	Mark Wilmot, Crystal Brook Lane -- Monse River Rd.	933.00
06-0069	Reginald Zward, 153 Meadow Dr., Mount Hull	7,204.00
06-0216	Glen Waggy, 28 Buckboard Trail Rd., Pine Chee	2,435.00
06-0217	Roger Devaney, 35 Vic Smith Rd.	1,790.00
06-0226	Randy Brown, 6 Aspen Way (Rev. #1)	4,074.00
06-0232	Dale Engmark, 722 Aeneas Valley Rd. (Rev. #1)	3,597.00
06-0274	Robert Hoffman, 19 B & O Rd.	3,970.00
06-0275	District, B & B Rd., Twisp	2,425.00
06-0321	District, Wagner St., Twisp	5,732.00
06-0324	Guy Fisher, 33556 Hwy. 97	3,877.00
06-0329	Ed Tradup, 131 N. Star Rd., Brewster	1,399.00
06-0330	District, Riverside Ave., Twisp	1,493.00
06-0335	Carter Excavation, Inc., Antoine Creek	1,548.00
06-0336	Boesel Motor, 26263 Hwy. 97, Brewster	825.00
06-0339	Jodi Curry, 410D Green Lake Rd.	2,809.00
06-0340	District, 217C Rodeo Trail	2,852.00
06-0342	Qwest Communications, Chiliwist Rd. & Olema Rd.	1,721.00
06-0343	Steve & Deanna Houston, 103 Barnholt Loop	4,136.00

06-0346	Jimmy Phelps, Sandflat Rd.	1,523.00
06-0349	Anita Anderson, 126 Ceilo Circle, Brewster	3,041.00
06-0350	Steve Duncan, 303 Ansel Ave. E.	1,539.00
06-0351	Lori Baillie, 1610 G Pine Creek Rd.	3,467.00
06-0352	District/Free Methodist Church, 1520 Fir St., Oroville	838.00
06-0353	William Boyce/Dry Coulee Rd.	8,202.00
06-0357	Max Deardorff, Epley Rd.	2,973.00
06-0361	Silver Spur Development, Old Hwy. 97	7,693.00
06-0362	Robert & Michele Michlitch, Eastman Mill Rd.	2,909.00
06-0363	District, 301 May St., Twisp	1,576.00
06-0367	District, Oroville	114,489.00
06-0369	Lynn Barnett, Old Hwy. 97	2,131.00
06-0370	District, 256 Chiliwist Rd.	2,744.00
06-0372	Judith Griffith, Lot 15 -- Round Lake Subdivision	1,258.00
06-0376	District, 5th St., Brewster	1,099.00
	Total:	\$214,879.00

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

Abrahamson, Rena	\$52.68
Adams, Dale - Renter	314.83
Aparicio, Jesus Jr.	108.49
Armstrong, Brad	244.13
Avila, Jose A.	94.47
Best, Lisa L.	580.64
Bowden, Rod & Winton, Delberta	107.17
Brown, Crystal L.	383.93
Buckner, Larry E.	137.62
Canada, Lorrie	234.63
Chesaw Tavern	282.97
Cortez, Sheila	64.64
Eligion, Jose A.	74.31
George, Selina	82.91
Gerrior, Brigette & Wardlaw, Michael	44.61
Gomez, Clemente R.	150.43
Gonzalez, Tomas	131.89
Grant, Edward B.	110.92
Hahn, Michael	74.61
Hall, Vicki A.	206.97
Hernandez, Yolanda	71.97
Hunter, Kameo L.	202.64

McKinney, Marilyn	178.79
Marchand, Ann	174.47
Moore, Shane	24.66
Muskrat, Desmond & Patricia	144.05
Robson, Catherine Marie	285.59
Rowe, Richard S. (Estate)	340.15
Scroggins, Clifton R.	47.13
True, Leal	438.05
Villagrana, Rogelio	116.26
Williams, Pat A.	182.45
TOTAL	\$5,689.06

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

IV. Public Comment:

There was no public comment.

V. Action Agenda:

A. Old Business

1. NWPPA Utility Visit:

Dave Bouchard addressed the Board in connection with Northwest Public Power Association's member relations tour. He encouraged the utility's attendance at a forum in Portland on September 18-19, 2006, organized at the request of Steve Wright on the BPA allocation program.

2. Budget Item Revisions:

Doug Adams requested authorization to add an Electro-Mechanic apprentice position to assist with maintenance issues, transformer testing, and the installation of a SCADA system. The District had planned to include the position in the 2007 budget; however, classes for the three-year program provided by Chelan PUD start this fall.

Commissioner Bolz moved, seconded by Commissioner Womack, to approve the addition of an Apprentice Electro-Mechanic position in the 2006 budget to help with the work load and allow for the District to take advantage of Chelan PUD's apprenticeship classes starting this fall. Hiring for this position is approved for August 2006. The motion unanimously carried.

Warren Miller requested authorization to add \$115,000 to the 2006 capital

budget plan for a fiber backbone extension of four miles to the Canadian Border in Oroville. Construction of the four-mile extension is necessary for the District to provide services to a telecommunications carrier that wants to provide service across the District's fiber system, and the fiber route facilitates redundancy for Okanogan PUD's fiber system as well. The District would also be able to take advantage of future opportunities to sell telecommunications services into and out of Canada. The agreement that has been proposed for the carrier to purchase lit services on the route from Brewster to the Oroville border crossing also requires the carrier to provide a contribution to construction as well as some of the electronic equipment necessary to provide the service. In addition, a monthly fee will be paid by the carrier.

Following discussion and agreement to add a clause to the contract regarding the ability to purchase redundancy, Commissioner Bolz moved, seconded by Commissioner Womack, to approve the addition of a \$115,000 capital project to the Okanogan County PUD 2006 capital budget to fund the construction of a four-mile fiber backbone extension in Oroville. The funds for this project would be immediately available upon completion of the contract with the potential carrier and would reflect the terms as presented today. The motion unanimously carried.

3. Nine Canyon Phase III Update:

Larry Felton presented various financing scenarios for the Board's consideration of the Nine Canyon Phase III Wind Project.

Manager Berrie noted that given the numbers presented, the staff recommendation is to not participate in Phase III at this time.

4. Computer Software Agreement Update:

Don Coppock reported that the District has started the process to join the member owned National Information Solutions Cooperative. Details of the computer software system proposal of NISC are being reviewed by staff and legal counsel.

5. Set Board Meeting Schedule:

The Board set the following meeting schedule:

07/25/06 Okanogan PUD Auditorium 5:00 p.m.
08/08/06 Okanogan PUD Auditorium 12:30 p.m.
08/22/06 Okanogan PUD Auditorium 5:00 p.m.
09/12/06 Okanogan PUD Auditorium 12:30 p.m.
09/26/06 Okanogan PUD Auditorium 5:00 p.m.

B. New Business:

1. Manager's Report:

The Manager's report included the following information:

- The dismantling of the Ophir generation site has been completed.
- Pursuant to the Energy Policy Act of 2005, the Public Utility Regulatory Policies Act requires that electric utilities begin considering interconnection and/or net metering standards and time-based rates by August 8, 2006 and by August 8, 2007 make a determination as to whether it is appropriate to adopt standards, in whole or in part.
- The Brewster and Ophir wireless sites are expected to be operational next week.
- The July meetings of the Washington PUD Association include a workshop on July 19th in Omak from 1:00 to 5:00 p.m. on the roles and responsibilities of commissioners.
- The Twisp PUD office contract with the Methow Community Center was signed on June 26, 2006, and remodeling of the building is underway.

2. Power Report:

Ron Gadeberg reported that both wholesale and retail sales are to date about \$1 million over budget estimates.

3. Meetings:

Commissioner Womack reported that he participated in a capital project tour with District staff on June 28, 2006.

The next Okanogan PUD Board meeting is scheduled for July 25, 2006 at 5:00 p.m.

VI. Public Comment:

Ken Sletten of the Methow stated that it would be his preference if the meetings of the PUD Commissioners and County Commissioners were on different days so they did not conflict. His comments pertaining to the agenda included commending the Board for approving the capital expenditure for telecom and agreeing with the decision to defer further wind power.

VII. Executive Session:

President Johnson recessed the Commission into executive session at 2:15 p.m. for 30 minutes to discuss real estate and litigation, with no action anticipated.

President Johnson reconvened the Commission into regular session at 2:45 p.m.

VIII. Adjournment:

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