

**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 25, 2006  
5:00 PM**

**Present:**

**Board:** Donald Johnson, Ernest Bolz, David Womack

**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Ron Gadeberg, Debra Peters, John Puhl, Steve Brown, Julie Pyper

**Attorney:** Michael Howe

**Public:** Al Hymer, 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. Public Utility Regulatory Policies Act
    2. NISC Accounting Software Services Agreement
    3. Nine Canyon Phase III Wind Project
  - B. New Business
    1. Manager's Report
    2. Power Report
    3. Meetings
    4. Discussion on News Article
- VI. Public Comment
- VII. Executive Session
- VIII. Adjournment

**I. Call to Order:**

President Johnson called the meeting to order at 5:00 p.m.

**II. Approval of Agenda:**

Manager Berrie added to the agenda a discussion on the Nine Canyon Phase III Wind Project. Commissioner Womack added to the agenda a discussion regarding a recent article in the newspapers.

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 July 11, 2006 meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 92725 through 92811 in the amount of \$251,331.84, vouchers 92812 through 92815 in the amount of \$94,401.58, vouchers 92816 through 92840 in the amount of \$246,130.82, vouchers 92841 through 92882 in the amount of \$80,806.77, and voucher 92883 in the amount of \$22,945.09.

The following work orders were submitted for approval:

06-0004	Mark Rhodes, Lot 9 - Alta Lake Rd.	\$ 957.00
06-0129	Mike King, Havillah Rd.	14,021.00
06-0224	Sally Taylor, 732 Hwy. 7, Tonasket	2,195.00
06-0245	District, Chopaka Rd.	1,689.00
06-0300	Wireless/Harmony Heights, End of Scenic Dr.	14,387.00
06-0319	Maureen Phillips, 20 Rockwood Way	8,112.00
06-0337	Kirk Jayne, Spring Coulee	2,983.00
06-0341	Gary Tonnemaker, End of Scenic Dr.	1,338.00
06-0353	Bill Boyce/Butch's Electric, Dry Coulee Rd.	8,202.00
06-0356	Larry Black, 45 U.S. Forest Service Rd.	7,592.00
06-0358	Shawn Wyles, Burma Rd.	3,903.00
06-0373	Trina Smith, 1610 H Pine Creek Rd.	8,724.00
06-0375	Bonnie Raffe, 34 Sand Dust Rd., Omak	7,014.00
06-0377	Larry Richner, 400 Twisp Carlton Rd.	1,616.00
06-0378	Darrell Sapp, 1600 Cherry St., Oroville	1,162.00
06-0379	District, 211 Eder Rd.	2,177.00
06-0380	Yusi Construction, 4th Ave. N., Okanogan	2,348.00
06-0382	Gene Bell, 12 Root Lane	5,152.00
06-0387	District, E. Oroville Rd.	976.00
06-0388	Brian Petrie, 631 Indian Dan Canyon, Brewster	1,615.00
06-0389	Pacific Calcium, Inc./District, 32101A Hwy. 97	1,190.00
06-0390	Xtreme Power Sports, 1597 2nd Ave. N., Okanogan	1,187.00
06-0392	Home Depot, Engh Rd., Omak	6,614.00

06-0396	Michael Duckett, Methow River Ranch Lot 2-9	3,842.00
06-0397	Ophir Wireless/Power, Ophir Sub.	898.00
06-0398	District, Johnson Creek	1,185.00
06-0401	Rooster Const./Farley Patrick, Div. 7, Lot 10, Nine Mile Ranches	5,020.00
06-0402	Tara Price, Lot 3, Div. 5, Nine Mile Ranch	3,783.00
06-0403	Dept. of Transportation, Loup Loup Summit	4,974.00
06-0404	Murray Bell, 2353B Hwy. 153, Twisp	3,156.00
06-0405	District, 414 Benton St., Omak	1,167.00
06-0406	District, Methow Valley	8,934.00
06-0407	Buckhorn Logging, Rat Lake Rd., Brewster	8,519.00
06-0412	Gebbers Farms, Snyder Flats	3,282.00
06-0413	Fidel Rios, 31 Unger Rd., Brewster	2,049.00
06-0414	District/Lamoreaux, 28 Mtn. View Rd., Brewster	2,866.00
06-0427	Eli Smith, 254 Riverside Cutoff Rd.	3,075.00
	<b>Total:</b>	<b>\$157,904.00</b>

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

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

There was no public comment.

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

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

##### **1. Public Utility Regulatory Policies Act:**

Staff presented Resolution No. 1316 initiating an investigation regarding time-based rate schedules, "smart" metering and communications.

The Federal Energy Policy Act of 2005 amended the Public Utility Regulatory Policies Act of 1978 to require unregulated utilities, such as the District, with annual retail sales greater than 500 million kilowatt hours to conduct an investigation regarding the implementation of time-based rate schedules, "smart" metering and communications. (Okanogan PUD sold 575 million kilowatt hours of electricity at retail in 2005.) The required investigation must begin by August 8, 2006 and be completed with a Commission determination by August 8, 2007.

Commissioner Womack moved, seconded by Commissioner Bolz, to adopt Resolution No. 1316. The motion unanimously carried.

## 2. NISC Accounting Software Services Agreement:

To move forward with the installation of a new iVUE computer software system, staff requested approval to enter into a Member Software and Service Agreement and Utility Mutual Non-Disclosure Agreement with the National Information Solutions Cooperative. The 2006 budget included \$700,000 for replacement of the utility billing system; however, that cost is now estimated at approximately \$200,000 plus monthly maintenance fees.

Commissioner Bolz moved, seconded by Commissioner Womack, to authorize the Manager to sign the National Information Solutions Cooperative Member Software and Service Agreement and the Utility Mutual Non-Disclosure Agreement, and to move forward with the installation of the new iVUE software solution in an amount not to exceed \$200,000. The motion unanimously carried.

## 3. Nine Canyon Phase III Wind Project:

At the last meeting it was determined that the District would not participate in the Nine Canyon Phase III Wind Project at this time. In order for Energy Northwest to solicit other interested parties, a letter has been requested of the District to withdraw the expression of interest previously submitted.

Commissioner Womack moved, seconded by Commissioner Bolz, to authorize the Manager to send a letter to Energy Northwest withdrawing Okanogan PUD's interest in the Nine Canyon Phase III Wind Project. The motion unanimously carried.

## B. New Business:

### 1. Manager's Report:

The Manager's report included the following information:

- Load vs. wind generation data for the period July 19-24, 2006 indicated that wind generation went to zero and stayed there during the heat of the day. This confirms that wind energy must be firmed up with a reliable, alternate energy source such as hydropower to guarantee capacity.
- California just set a new electric energy peak demand at 50,000 megawatts. This new peak was approximately 10% higher than the previous peak.
- Details of the PUD's exhibit at the upcoming County Fair were provided for comment.
- During the past State Legislative session \$200 million was allocated for feasibility studies of several water storage sites throughout the State. A site

above Enloe Dam near Shanker's Bend is one of the sites being considered for funding. A tour of the area is scheduled for August 3, 2006 with representatives from the State and County.

- Potelco has completed the pole replacement work on the Loup Loup transmission line.
- The District has hired a temporary employee to assist with clearing on the Loup Loup transmission line right-of-way.
- Several local agencies met recently with a company interested in providing commercial air flights from Omak.
- The Brewster Harmony Heights and Ophir Grade wireless towers are operational.

## 2. Power Report:

BPA recently announced that it intends to lower rates by 3% for the 2007-2009 rate period.

## 3. Meetings:

Commissioner Bolz presented a summary of Northwest Public Power Association's annual meeting workshop on understanding the rate making process. He reported that he attended the Washington PUD Association meetings in Omak on July 19-20, 2006, and will attend the Energy Northwest Board of Directors meetings in Richland on July 26-27, 2006.

Commissioner Womack presented a report from the Washington PUD Association meetings that he attended in Omak on July 19-21, 2006.

The Board will send a letter of thanks for the utilization of Okanogan Behavioral Healthcare's meeting room facilities to host the recent Washington PUD Association meetings.

The next Okanogan PUD Board meeting is scheduled for August 8, 2006 at 12:30 p.m.

## 4. Discussion on News Article:

The Commissioners discussed a recent letter to the editor of Commissioner Johnson.

## VI. Public Comment:

No public comments were offered.

## VII. Executive Session:

President Johnson recessed the Commission into executive session at 6:15 p.m. for approximately 30 minutes to discuss litigation issues, with no action anticipated.

President Johnson reconvened the Commission into regular session at 6:30 p.m.

**VIII. Adjournment:**

The meeting adjourned at 6:30 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President

David A. Womack, Secretary