

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
January 2, 2007
12:30 PM**

Present:

Board: David Womack, Ernest Bolz, Trish Butler

Staff: Chuck Berrie, Doug Adams, Don Coppock, Derek Miller, Debra Peters, Dan Boettger, Ron Gadeberg, Tina DeLap, Steve Brown, Julie Pyper

Attorney: Michael Howe

Public: Chris Thew - The Chronicle
Marcy Stamper - Methow Valley News
Kathleen Hirschstein, Maeyowa, George Wooten

Summary Agenda

- I. Call to Order
- II. New Commissioner Oath of Office
- III. Election of Board Officers
- IV. Approval of Agenda
- V. Consent Agenda Items
 - Minutes
 - Vouchers
 - Work Orders
 - Transfer of Accounts
- VI. Public Comment
- VII. Action Agenda
 1. Tree Trim Contract Extension
 2. Enloe Dam Professional Services Agreements
 - Highlands Associates
 - R2 Consultants
 3. Board Committee/Organization Assignments
 4. Meeting Schedule
 5. Outage Report
 6. Manager's Report
 7. Meetings
- VIII. Public Comment
- IX. Resolution No. 1320 Recognizing Don Johnson
- X. Executive Session
- XI. Adjournment

I. Call to Order:

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

II. New Commissioner Oath of Office:

Attorney Howe administered the oath of office to Trish Butler as elected PUD Commissioner for District No. 2.

III. Election of Board Officers:

Vice President Bolz opened the floor for nominations to elect officers. Bolz then moved, seconded by Commissioner Butler, to nominate David Womack as President. The motion carried unanimously.

Commissioner Butler moved, seconded by Commissioner Womack, to nominate Ernest Bolz as Vice President. The motion carried unanimously.

Commissioner Bolz moved, seconded by Commissioner Womack, to nominate Trish Butler as Secretary. The motion carried unanimously.

IV. Approval of Agenda:

An outage update was added to the agenda, and it was determined that an executive session would be called at the conclusion of the meeting for the purpose of discussing pending litigation, personnel, and the Manager's evaluation. The power report was continued to the January 16, 2007 meeting.

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

V. Consent Agenda Items:

The Minutes of the December 5, 2006 meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 94909 through 94932 in the amount of \$232,017.68, vouchers 94933 through 94941 in the amount of \$106,557.74, vouchers 94942 through 95034 in the amount of \$480,517.62, vouchers 1 and 95035 through 95057 in the amount of \$126,929.27 plus payroll direct deposit in the amount of \$139,312.83, and vouchers 95058 through 95183 in the amount of \$684,904.10.

The following work orders were submitted for approval:

05-0577	Veranda Beach - Phase I, Osoyoos Lake	\$ 77,130.00
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06-0002&03	Bains LLC, 2050 Elmway	737.00
06-0004	Alan Worley, 552 Bill Shaw Rd., Pateros	593.00
06-0004	Bill Hailey, 555 Bill Shaw Rd., Pateros	746.00
06-0519	Mike Stennes, 24 Starr Rd.	2,272.00
06-0543	Colville Indian Power & Veneer, Omak	22,169.00
06-0545	District, 225 Spring Coulee Rd.	1,871.00
06-0628	Okanogan School District, 130 5th Ave. S.	4,149.00
06-0642	David Ellis, 340 Burma Rd.	6,657.00
06-0646	Richard Sherman, 110 Bartroff Rd., Oroville	18,940.00
06-0647	District, Woods Rd.	2,090.00
06-0648	Doug Greenshields, 25 Copple Rd.	1,232.00
06-0651	Henry Ganno, 20 Moon Dust Rd.	5,157.00
06-0653	Doug Runyan, Hwy. 153	4,514.00
06-0661	Lee Reyes, Cape Labelle Rd.	52,501.00
06-0678	Barb Warfield, 1505 N. Pine Creek Rd.	10,271.00
06-0680	John Wilson, 548 McLaughlin Canyon Rd.	1,946.00
06-0684	Ken Orford, 535 Bill Shaw Rd.	12,618.00
06-0687	District, Twisp River Rd.	2,438.00
06-0688	Leslie Clough, 350 Hosheit Rd.	25,191.00
06-0690	Donald Dixon, 421 Chesaw Rd.	7,325.00
06-0692	Joan Gilbert, corner of Apple Ave. & Ash St., Omak	1,830.00
06-0695	Okanogan Douglas Hospital, Brewster	4,855.00
06-0697	District, Libby Creek	2,046.00
06-0701	Michael Jensen, 335B Twisp-Carlton Rd.	710.00
06-0702	Brewster Market Place	654.00
06-0706	Virgil Marchand/Over-Head, Omak Riverside-Eastside Rd.	4,621.00
06-0709	Dave Hanna, 341 Rehmke Rd.	1,109.00
06-0712	Joe Meloche, 3 Washington Ave., Molson	1,973.00
06-0714	Theresa Ramirez, Malott Eastside Rd.	2,271.00
	Total:	\$280,616.00

The conservation loan balance of \$1,167.95 on account #13238 in the name of Denise Taber was submitted for write-off/collection due to nonpayment.

The balance of \$133.10 was submitted for transfer from John Keeling's closed irrigation account #19468-8 to his residential account #18276-6.

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

VI. Public Comment:

Kathleen Hirschstein of Carlton submitted statements for the record and inquired about the telecom system debt.

Maeyowa of Carlton submitted for the record a Petition regarding the proposed Methow Valley power line, and she requested that the PUD legally commit to the mitigation and construction measures stipulated in the EIS.

VII. Action Agenda:

1. Tree Trim Contract Extension:

Operations Manager Doug Adams requested authorization to enter into a one-year contract extension with Asplundh Tree Experts, Inc. in the amount of \$630,000. The Board previously approved a two-year (2006/2007) tree trimming contract with Asplundh in a not to exceed cost per year of \$300,000, with the second year of the contract subject to District approval and contingent on contractor performance. Being satisfied with Asplundh's performance in 2006, the 2007 budget was increased to \$655,000 to better reflect costs needed to establish a three-year cycle tree trimming program (\$630,000 for tree trimming and \$25,000 for brush removal).

Commissioner Bolz moved, seconded by Commissioner Butler, to accept staff's recommendation to authorize a one-year contract extension for tree trimming to Asplundh Tree Experts, Inc. with an increase of the total not to exceed amount to \$630,000 in 2007. The motion carried unanimously.

2. Enloe Dam Professional Services Agreements

- Highlands Associates

Regulatory and Environmental Affairs Director Dan Boettger introduced under the 2007 budget an Agreement for Professional Services with Highlands Associates for consulting services pertaining to the Enloe Dam Hydroelectric Project. The maximum amount payable under the Agreement is \$27,400.

Commissioner Butler moved, seconded by Commissioner Bolz, to authorize the Manager to enter into a Professional Services Agreement with Highlands Associates in a not to exceed amount of \$27,400. The motion carried unanimously.

- R2 Consultants

Dan Boettger introduced under the 2007 budget an Agreement for Professional Services with R2 Resource Consultants for services pertaining to the Enloe Dam Hydroelectric Project. The maximum amount payable under the Agreement is \$54,800.

Commissioner Bolz moved, seconded by Commissioner Butler, to authorize the Manager to enter into a Professional Services Agreement with R2 Resource Consultants in a not to exceed amount of \$54,800. The motion carried unanimously.

3. Board Committee/Organization Assignments:

Committee/organization assignments for 2007 were designated as follows:

<i>Organization</i>	<i>Representative</i>	<i>Alternate</i>
Energy Northwest	Ernest Bolz	Trish Butler
Northwest Open Access Network	Warren Miller	Ernest Bolz/Chuck Berrie
Northwest Public Power Association	Ernest Bolz	Trish Butler
Public Utility Risk Management Services	Trish Butler	Fred Burke
Public Power Council	Chuck Berrie	
Washington PUD Association	David Womack	Trish Butler
Washington PUD Association Round Table	Trish Butler	Ernest Bolz

4. Meeting Schedule:

Manager Berrie proposed for consideration a change to the regular meeting schedule of the Board of Commissioners.

Following discussion, it was agreed that all regular meetings will commence at 12:30 p.m. at the Okanogan PUD Auditorium with a one-hour workshop being the first agenda item followed by regular business at 1:30 p.m. A Resolution amending the meeting schedule will be considered at the January 16, 2007 meeting. Outreach/town hall meetings will be scheduled on a yearly basis or as the need arises.

5. Outage Report:

Doug Adams and Chief Engineer Derek Miller provided a report on the December 14-15, 2006 snow/wind storm and related power outages.

6. Manager's Report:

The Manager's report included the following information:

- Budinger & Associates of Spokane recently completed for laboratory testing the Enloe Dam core drilling sampling of the concrete and bed rock.
- Manager Berrie and Commissioner Bolz will attend a meeting in Keremeos on January 8, 2007 relating to large water storage projects in British Columbia.

- Okanogan County PUD offices will be closed on January 15, 2007 (Martin Luther King Day) to allow District employees the opportunity to participate in the annual Employee Day function.
- The Public Power Council is searching for a new Executive Director to replace Marilyn Showalter who is resigning for another job opportunity.
- The Bonneville Power Administration has scheduled a public meeting in Portland on January 22, 2007 with BPA Administrator Stephen Wright to clarify and discuss comments received by BPA regarding the Slice portion of the Long-Term Regional Dialogue policy proposal.
- The District's computer update and conversion process is progressing, and installation of the SCADA (System Control and Data Acquisition) components is also nearly complete.
- Standard & Poor's is conducting an interim review of the District's bond rating.
- The Washington State Renewable Energy Cost Recovery Incentive Program provides incentive payments to support certain renewable energy systems. A policy to participate in the program will be presented at the January 16, 2007 meeting.

7. Meetings:

The next Okanogan PUD Board meeting is scheduled for January 16, 2007 at 12:30 p.m. at the Okanogan PUD auditorium. A one-hour workshop will be the first agenda item followed by regular business at 1:30 p.m.

VIII. Public Comment:

George Wooten of Twisp submitted for the record a letter requesting that Okanogan PUD ask the Forest Service to restore the Loup Loup right-of-way thinning project Phase 2 as a necessary part of electric utility corridor maintenance.

Kathleen Hirschstein encouraged the Commissioners to reduce electric rates.

Maeyowa submitted comments for the record pertaining to the Loup Loup transmission line and the proposed Pateros-Twisp transmission line.

IX. Resolution No. 1320 Recognizing Don Johnson:

Manager Berrie introduced Resolution No. 1320 recognizing Donald W. Johnson for providing six years of public service to the residents of Okanogan County by serving as Public Utility District Commissioner.

Commissioner Bolz moved, seconded by Commissioner Butler, to adopt Resolution No. 1320. The motion carried unanimously.

X. Executive Session:

President Womack recessed the Commission into executive session at 3:20 p.m. for one hour to discuss litigation and personnel, with no action anticipated. President Womack reconvened the Commission into regular session at 4:20 p.m.

XI. Adjournment:

There being no further business, the meeting adjourned at 4:20 p.m.

David A. Womack, President

ATTEST:

Ernest J. Bolz, Vice-President

Trish Butler, Secretary