

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
May 15, 2007
12:30 PM**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: Doug Adams, Don Coppock, Dan Boettger,
Warren Miller, Tom Pearson, Ron Gadeberg,
Steve Brown, Julie Pyper
Attorney: Michael Howe
Public: Rich Trimble

Summary Agenda

- I. Call to Order
- II. Workshop
- III. Business Meeting
 - 1. Approval of Agenda
 - 2. Consent Agenda Items
 - A. Minutes
 - B. Vouchers
 - C. Work Orders
 - D. Transfer of Accounts
- IV. Public Comment
- V. Action Agenda
 - 1. Rich Trimble – Energy Northwest Member Visit
 - 2. Resolution No. 1333 – Supporting the Northwest River Partners’ “Green Dams, Blue Skies” campaign to educate, raise awareness of and celebrate the benefits of the Northwest hydro system
 - 3. Interlocal Agreement with Ferry County PUD
 - 4. Professional Services Agreement with Armada Corporation
 - 5. 2007 Entrix Contract Amendment
 - 6. Resolution No. 1334 – Supporting Okanogan PUD’s filing of a Preliminary Permit for the Similkameen River, Shanker’s Bend Hydro Project
 - 7. Manager’s Report
 - 8. Power Report
 - 9. Meetings
- VI. Executive Session
- VII. Adjournment

I. Call to Order:

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

II. Workshop:

The Shanker’s Bend Project was discussed during the workshop period.

III. Business Meeting:

1. Approval of Agenda:

The following additions to the agenda were presented: 1) Resolution No. 1334 supporting Okanogan PUD’s filing of a Preliminary Permit for the Similkameen River, Shanker’s Bend Hydro Project; 2) Authorization for the Manager to sign the 2007 Contract with Entrix; and 3) Professional Services Agreement with Armada Corporation.

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

2. Consent Agenda Items:

A. Minutes:

The Minutes of the May 1, 2007 regular meeting were submitted for approval.

B. Vouchers:

The following vouchers were submitted for approval:

Vouchers 50, 95 and 96752 through 96770 in the amount of \$216,429.53, vouchers 52 and 96771 through 96818 in the amount of \$1,555,577.18, vouchers 96819 through 96944 in the amount of \$519,033.46, vouchers 54, 96 and 96945 through 96963 in the amount of \$285,109.43, and vouchers 96964 through 97070 in the amount of \$245,790.80.

C. Work Orders:

The following work orders were submitted for approval:

05-0324	District, Spring Coulee Rd., Okanogan	\$ 69,986.00
06-0104	District, 7000 Circuit	18,662.00
06-0284	Pacific Calcium, Inc., Holmes Rd.	188,951.00
06-0525	District, Omak Substation	4,878.00

Minutes of the Okanogan PUD Board of Commissioners

May 15, 2007

07-0053	Veranda Beach Lift Station #1, Oroville	17,180.00
07-0148	Keith Stennes, Hwy. 153	4,111.00
07-0160	Harry & Aimee Grant, Buckboard Ln., Twisp	8,279.00
07-0166	Dale Foreman, 51 Horse Spring Coulee Rd.	3,274.00
07-0186	Dan Pickett, Conconully Hwy.	13,841.00
07-0190	District, Twisp Airport	6,805.00
07-0197	Kathy Buchholz, 96 Summit Lake Rd.	2,442.00
07-0202	District, Old Hwy. 97	1,282.00
07-0206	District/Howard, 63 N. Fork Rd.	3,538.00
07-0207	Darold Brandenburg, Buckboard Ln.	4,610.00
07-0208	District, Squaw Creek	998.00
07-0209	District, Conconully	1,179.00
07-0210	Max Layton, Old Hwy. 97	5,986.00
07-0213	District/Berrie, 31 Panorama Point	1,394.00
07-0219	Chris Wood, 9 Weatherstone Rd., Omak	2,788.00
07-0220	Ausa, LLC, Barnholt Loop Rd., Okanogan	38,908.00
07-0226	Joe & Anne Hays, Barn Dance Ln.	6,426.00
07-0229	District, Okanogan 115 kv Substation	17,314.00
07-0233	Dale Smith, Monse River Rd.	2,985.00
07-0235	Dennis Chittick, 450 Warren Ave., Pateros	1,210.00
07-0239	Neil Burnett, 22585D Hwy. 20, Okanogan	4,753.00
07-0240	District, Omak 1000 Circuit	7,568.00
07-0243	District, Morris Rd.	574.00
07-0248	District, Valley Rd.	<u>1,735.00</u>
		\$441,657.00

D. Transfer of Accounts:

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

Aguayo, Angeles	.....	\$47.73
Allen, Pat (Estate)	.....	188.76
Bertram, Amy	.....	337.26
Bettelyoun, Lorenzo	.....	184.71
Boyer, Debbie	.....	163.87
Boyer, Roxanne	.....	461.72
Bush, Naomi	.....	30.05
Cahoose, Ross	.....	869.67
Cannery, Martha	.....	129.29
Charley, Ruth	.....	106.76
Cornella, Greg	.....	294.10
Cortez-Aguilar, Victor	.....	250.43
Fritts, Lance	.....	367.85

Minutes of the Okanogan PUD Board of Commissioners

May 15, 2007

Haven, Dan L.	.....367.53
Hernandez, Nicaela Rene	.....49.00
Kume, Lisa & Clark, David Jr.	.....277.34
Leal, Marcella (Estate)	.....55.65
Lehman, Elsie & Robert	.....374.20
Louis, Ida	.....292.68
Martin, Daniel	.....54.92
Mason, Henry (Estate)	.....213.63
Mendoza, Aquilino	.....106.68
Montgomery, Cherie	.....521.64
Morris, Crystal L.	.....110.99
Ortega Gutierrez, Jose Jaime	.....185.46
Pamatz Bello, Irma	.....243.48
Paul, William	.....413.44
Reinhold, Nanci	.....129.38
Relaford, Ron	.....356.25
Richardson, Rusty	.....245.15
Rivera, Jesus A.	.....323.97
Robinson, Howard	.....30.49
Sandy, Adam	.....114.23
Schmitt, Ralph	.....164.13
Schroder, Richard	.....95.47
Small, Savannah	.....300.31
Stotler, Wally M. (Estate)	.....422.36
Swanger, Mark (Estate)	.....690.19
Swett, Shirley	.....361.29
Thobois, Bruce & Tresa L.	.....654.49
Thomas, Kathleen L.	.....160.99
Walter, Tracy	.....296.24
Ware, Lee K.	.....135.29
Wiseman, Sheridan	.....2,193.20
Yoakum, Nathan	.....17.27
 Total	\$13,389.54

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

IV. Public Comment:

No public comments were offered.

V. **Action Agenda:**

1. **Rich Trimble – Energy Northwest Member Visit:**

Rich Trimble updated the Board on activities of Energy Northwest. Discussion topics included the Columbia Generating Station, Nine Canyon and Reardon wind projects, Pacific Mountain Energy Center, Okanogan County woody biomass feasibility study, and the nuclear power industry.

2. **Resolution No. 1333 – Supporting the Northwest River Partners’ “Green Dams, Blue Skies” campaign to educate, raise awareness of and celebrate the benefits of the Northwest hydro system:**

Doug Adams introduced Resolution No. 1333 supporting the Northwest River Partners’ “Green Dams, Blue Skies” campaign to educate, raise awareness of and celebrate the benefits of the Northwest hydro system.

Commissioner Butler moved, seconded by Commissioner Bolz, to adopt Resolution No. 1333. The motion carried unanimously.

3. **Interlocal Agreement with Ferry County PUD:**

The proposed Interlocal Agreement establishing service area boundaries for Okanogan and Ferry County PUDs has been reviewed by legal counsel. It is anticipated that Ferry PUD’s Board will approve the Agreement at their next meeting and then forward the Agreement for Okanogan PUD’s consideration.

4. **Professional Services Agreement with Armada Corporation:**

Don Coppock requested approval to enter into a revised Professional Services Agreement with Armada Corporation for the purpose of collecting past due accounts owing the District. The proposed Agreement provides that Armada shall be entitled to a commission fee of 25% of any amount collected regardless of where the payment is tendered by the debtor.

Commissioner Bolz moved, seconded by Commissioner Butler, to authorize the Director of Finance to execute a revised Professional Services Agreement with Armada Corporation for collection services. The motion carried unanimously.

5. **2007 Entrix Contract Amendment:**

Dan Boettger requested authorization to enter into Amendment #3 to the Professional Services Agreement LF – 2005-2 with Entrix, Inc. for 2007 Enloe Dam licensing services. The maximum

amount payable by the District to Entrix, Inc. under Amendment #3 is \$661,353. Commissioner Butler moved, seconded by Commissioner Bolz, to authorize the Manager to execute Amendment #3 to the Professional Services Agreement LF-2005-2 with Entrix, Inc. in an amount not to exceed \$661,353. The motion carried unanimously.

6. Resolution No. 1334 -- Supporting Okanogan PUD's filing of a Preliminary Permit for the Similkameen River, Shanker's Bend Hydro Project:

Doug Adams introduced Resolution No. 1334 supporting Okanogan PUD's filing of a Preliminary Permit for the Similkameen River, Shanker's Bend Hydro Project.

Commissioner Bolz moved, seconded by Commissioner Butler, to adopt Resolution No. 1334. Bolz stated that the District's interest in Shanker's Bend is not so much to drive the project as it is to seek benefit from the project should it occur, and the possibility of power generation in the water storage project should not be overlooked. The motion carried unanimously.

7. Manager's Report:

In an opinion released May 3, 2007 the Ninth Circuit Court of appeals ruled that 1) BPA acted lawfully when it allocated to its preference customers part of the cost of acquiring power to serve its direct-service industrial customers; 2) BPA acted contrary to law when it allocated to its preference customers part of the cost of the settlement BPA reached with its investor-owned utility customers; and 3) BPA's fish and wildlife cost estimates and, by extension, the rates based on those estimates, are not supported by substantial evidence.

Pursuant to the Energy Policy Act of 2005, Okanogan PUD is soliciting written comments or proposals on standards for time-based metering and communication proposed for consideration under the Public Utility Regulatory Policies Act (PURPA).

8. Power Report:

Total wholesale and retail sales of electricity have exceeded projected budget amounts by \$1,601,000 through April 2007 (\$1,121,000 over the original budget through April for wholesale power sales and \$480,000 over the original budget for retail sales through March).

9. Meetings:

Commissioner Bolz reported on proceedings of the NoaNet Board meeting that he attended in Seattle on May 9, 2007.

The next Okanogan PUD Board meeting is scheduled on May 29, 2007 at 12:30 p.m. at the Okanogan PUD auditorium. A one-hour workshop will be the first agenda item followed by the business meeting at 1:30 p.m.

VI. Executive Session:

The regular meeting was recessed at 2:30 p.m. and reconvened into executive session to review the performance of a public employee, pursuant to RCW 42.30.110(1)(g), and to discuss with legal counsel representing the District litigation or potential litigation to which the District, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency, pursuant to RCW 42.30.110(1)(i). It was anticipated the executive session would last approximately 15 minutes with no action expected. At 2:45 p.m. the executive session was extended 20 minutes. At 3:05 p.m. the executive session was recessed with no public announcement.

VII. Adjournment:

There being no further business to discuss, the meeting was adjourned at 3:05 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary