

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

**Okanogan PUD Auditorium  
1331 2<sup>nd</sup> Avenue North, Okanogan, WA  
May 29, 2007  
12:30 PM**

**Present:** Board: David Womack, Ernest Bolz, Trish Butler  
Staff: Doug Adams, Don Coppock, Tom Pearson, Derek Miller,  
Dan Boettger, Jeff Deason, Steve Brown, Julie Pyper  
Workshop: Ron Gadeberg, Warren Miller  
Attorney: Michael Howe  
Public: Chris Thew

**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
- IV. Public Comment
- V. Action Agenda
  - 1. Interlocal Agreement with Ferry County PUD Re: Service Area Boundaries – Resolution No. 1335
  - 2. Memorandum of Understanding Re: Funding of Joint Canadian/USA Water Shed Study
  - 3. Award Spill Containment Contract
  - 4. Manager’s Report
  - 5. Power Report
  - 6. 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 topics of Power Supply and Biomass Study were discussed during the workshop period.

**III. Business Meeting:**

**1. Approval of Agenda:**

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

**2. Consent Agenda Items:**

**A. Minutes:**

The Minutes of the May 15, 2007 regular meeting were submitted for approval.

**B. Vouchers:**

The following vouchers were submitted for approval:

Vouchers 56-57 and 97071 through 97198 in the amount of \$474,200.34, vouchers 59, 97 and 97199 through 97218 in the amount of \$225,373.28, and vouchers 61-62 and 97219 through 97280 in the amount of \$2,606,504.18.

**C. Work Orders:**

The following work orders were submitted for approval:

06-0051	District, N. 4 <sup>th</sup> Ave.	\$141,677.00
06-0696	Atlas Marketing, 325 Omak Riverside E. Rd.	19,557.00
07-0004	Robert James, 39 Red Apple Dr.	516.00
07-0161	District, Old Hwy. 97 & Teleport Rd.	1,281.00
07-0166	Dale Foreman, 51 Horse Spring Coulee Rd.	3,274.00
07-0192	Howard Sonnickson, Twisp Airport	4,486.00
07-0223	North Cascades National Bank, 188 Pine St.	10,662.00
07-0228	Richard Mayberry, Woods Rd.	7,025.00
07-0234	Peppertree Hotel, Koala Commercial Center	24,016.00
07-0238	Bob Goehry, 309 1 <sup>st</sup> St. S.	614.00
07-0244	District/VanDoran, Monse River Rd.	2,823.00
07-0246	District, Twisp	1,036.00
07-0247	Sam & Diane Shaw, Valley Rd., Brewster	5,160.00
07-0251	Jan May, Bridge St., Brewster	810.00
07-0256	Reid Rubert, 248 Malott Eastside Rd.	6,200.00
07-0258	Russ Thomas, 200 Harrison Rd., Twisp	7,985.00

07-0259	District, Cherry Lane	1,483.00
07-0260	David Hamilton, 9 Mile - Big Horn Drive	7,227.00
07-0262	Cascade & Columbia River Railroad, Pateros	1,587.00
07-0267	District/Brower, 116 A St.	1,254.00
07-0268	Ralph Kyle, Monse River Rd.	<u>2,832.00</u>
		\$251,505.00

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. Interlocal Agreement with Ferry County PUD Re: Service Area Boundaries – Resolution No. 1335:**

Doug Adams introduced Resolution No. 1335, which authorizes the Board to enter into an Interlocal Agreement with Ferry County PUD for the purpose of establishing the west boundary line of the Ferry PUD service area that lies within the boundaries of Okanogan County. The utilities had been adhering to a service territory agreement entered into in 1949; however, legal statute provides that the duration of said Agreement shall be 25 years.

Commissioner Bolz moved, seconded by Commissioner Butler, to adopt Resolution No. 1335 and authorize the Manager to enter into an Interlocal Agreement establishing the service area boundary for Okanogan and Ferry County PUDs. The motion carried unanimously.

**2. Memorandum of Understanding Re: Funding of Joint Canadian/USA Water Shed Study:**

Dan Boettger reported that the steering committee formed in an effort to fund a joint Canadian/USA water shed study recently met to discuss funding. A planning committee in Canada will oversee the project and the steering committee, and is seeking funds for administrative costs of the study and the committee itself. Various Canadian entities are contributing to the estimated \$14,000 cost, and \$5,000 is being requested of the US. It is staff’s recommendation that Okanogan PUD commit \$2,500 toward the administrative costs, as the Okanogan County Electric-Coop also plans to contribute. Boettger indicated that funding costs for the actual study may be requested in the future.

Following discussion, the Board conceptually agreed to Okanogan PUD committing \$2,500 toward the Canadian/USA water shed study administrative costs.

**3. Award Spill Containment Contract:**

Dan Boettger reported that no proposals were received in response to a request for bids for construction of oil containment berms at the Okanogan, Pateros, Whitestone and Oroville Substations; however, since the bid closing date an offer was received from Rains Contracting, Inc. to complete the project for \$60,995. It is staff's recommendation to contract with Rains Contracting, Inc. for the construction work.

Commissioner Butler moved, seconded by Commissioner Bolz, to authorize the Manager to enter into a Small Works Contract with Rains Contracting, Inc. in an amount not to exceed \$60,995 for the construction of oil containment berms at four of the District's substation sites. The motion carried unanimously.

**4. Manager's Report:**

A power outage is scheduled for June 1, 2007 to perform maintenance on the Methow transmission line and to accommodate the connection of Winthrop Co-op's new metering equipment in the District's substation.

There will be a tour of Enloe Dam and a cultural resource working group meeting at Okanogan PUD on June 5, 2007. Due to specific cultural resource issues, the meeting is not open to the public.

The June 26, 2007 Board workshop on reliability standards was rescheduled to accommodate the schedule of Alan Dashen of A. Dashen & Associates. He will discuss on that date the process of issuing bonds.

Staff met last week with the Zeck Butler architectural firm in Spokane to review space needs for the District's headquarters. A feasibility study should be available in time for budgeting discussions in September. To address immediate needs a third modular unit has been leased.

A Professional Services Agreement in the amount of \$7,500 has been signed with MHW for a feasibility study of a possible hydro project on the Conconully Dam.

An hourly-basis Professional Services Agreement has been signed with appraiser Tom Wolcott to assist with easements on the power line route.

BPA received a letter from the Northwest Congressional delegation urging negotiations with the IOUs for settlement on the Ninth Circuit Court ruling addressing the Residential Exchange Program.

In discussions with the Corp of Engineers regarding the Similkameen Project, it was learned that additional study funding may be available. The Board authorized staff to pursue the matter.

Osmose Utility Services is currently applying fire retardant to the District's transmission poles.

Pole Maintenance Company will soon be in the vicinity to test poles.

**5. Power Report:**

There was discussion on the feasibility of a combined wood/garbage biomass venture. It was agreed that neighboring counties and interested entities should be contacted to determine if there is sufficient interest to support pursuing a joint project. Inquiry will also be made of Energy Northwest to determine if there is interest in studying the addition of another nuclear plant.

**6. Meetings:**

Commissioner Bolz reported that he attended meetings of the Washington PUD Association in Chelan on May 16-17, 2007 and participated in the Commissioners Roundtable, Telecom Committee and a tour of Rocky Reach Dam. He also attended the Northwest Public Power Association (NWPPA) Annual Conference and Membership Meeting in Spokane on May 21-24, 2007, including the Strategic Planning Conference for Community-Owned Utilities.

Commissioner Butler reported that she attended meetings of the Washington PUD Association in Chelan on May 16-17, 2007 and participated in the New Commissioner Orientation and the Commissioners Roundtable. She also attended the NWPPA Annual Conference and Membership Meeting in Spokane on May 21-24, 2007, including the Strategic Planning Conference.

Commissioner Womack reported that he attended meetings of the Washington PUD Association in Chelan on May 16-18, 2007, including the Board of Directors, Commissioners Roundtable and Legislative Committee.

The next Okanogan PUD Board meeting is scheduled on June 12, 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 2:45p.m. and reconvened into executive session at 2:52 p.m. 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 District, pursuant to RCW 42.30.110(1)(i). It was anticipated the executive session would last approximately 20 minutes with no action expected. At 3:12 p.m. the executive session was extended 30 minutes. At 3:40 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 3:41 p.m.

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David A. Womack, President

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Ernest J. Bolz, Vice-President

ATTEST:

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Trish Butler, Secretary