

**Minutes of Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County**

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
July 10, 2007
12:30 PM**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: Doug Adams, Don Coppock, Kathy Gordon, Marla Thompson,
Derek Miller, Tom Pearson, Ron Gadeberg, Warren Miller,
Debra Peters, Steve Brown, Julie Pyper
Attorney: Michael Howe
Public: Chris Thew – The Chronicle

Summary Agenda

- I. Call to Order
- II. Workshop
- III. Business Meeting
 - 1. Approval of Agenda
 - 2. Approval of Consent Agenda
 - a) Minutes of 6-26-07 & 06-28-07
 - b) Vouchers
 - c) Work Orders
 - d) Transfer of Accounts
 - 3. Public Comment
 - 4. Retail Authority
 - 5. Resolution No. 1338 – Surplus Equipment
 - 6. Resolution No. 1339 – Project Help
 - 7. Resolution No. 1440 – Governance Policy
 - 8. Resolution No. 1441 – Succession of Authority
 - 9. Shanker’s Bend Budget
 - 10. Aerial Lift Budget Purchase
 - 11. Manager’s Report
 - 12. Power Report
 - 13. Meetings
- IV. Executive Session
- V. Adjournment

I. Call to Order:

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

II. Workshop:

The regular meeting was recessed at 12:30 p.m. and reconvened immediately into executive session to evaluate the qualifications of an applicant for public employment, pursuant to RCW 42.30.110(1)(g). It was expected the executive session would last one hour with no action anticipated. At 1:30 p.m. the executive session was recessed with no public announcement.

III. Business Meeting:

1. Approval of Agenda:

A discussion on telecom retail authority at the Washington PUD Association level was added to the agenda.

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

2. Approval of Consent Agenda:

a) Minutes:

The Minutes of the June 26, 2007 regular meeting and June 28, 2007 special meeting were submitted for approval.

b) Vouchers:

The following vouchers were submitted for approval:

Vouchers 78 and 97638 through 97729 in the amount of \$947,816.39, vouchers 80, 101 and 97730 through 97748 in the amount of \$235,610.77, and vouchers 80, 101 and 97730 through 97748 in the amount of \$235,610.77.

c) Work Orders:

The following work orders were submitted for approval:

05-0444 R-1	Lorraine Jeffries, 340 Pharr Rd., Riverside	\$ 9,286.00
06-0517	Norman Whited, Lot 1171 – Box Spring Rd., Tonasket	2,415.00
07-0000	Karen Hook, 936 Hwy. 153, Pateros	504.00
07-0002	District/Freel, 31 Kruse St., Omak	1,178.00
07-0003	Mike Jones, Monse River Rd.	582.00
07-0003	Chuck Smith, Burgar St., Twisp	2,466.00
07-0154	Andrew Orford, Crumbacher Rd., Omak	1,878.00
07-0200	Ken Martin, 744 Mary Ann Creek Rd., Tonasket	5,449.00

07-0292	Lee Smith, 36 Cripple Creek Rd., Tonasket	7,170.00
07-0298	Ron Smith, Lot 138, Pine Chee Plat No. 1, Tonasket	5,245.00
07-0302	Bob Eisenhart, Lois Lane, Carlton	5,829.00
07-0308	Brian Zylstra, Lot 2 – Lucky 13 Lane, Methow	5,203.00
07-0316	Marina Beeson & Brian Denny, 1322 Fir St., Oroville	8,407.00
07-0317	Ron Hirst, 30792 Hwy. 97, Tonasket	4,738.00
07-0332	Dave Allen, 378 Malott Eastside Rd., Malott	955.00
07-0333	Pamela Crow, 58 Broser Way, Oroville	2,684.00
07-0334	Jacob Herrick, 912 Chesaw Rd., Oroville	2,599.00
07-0339	Glenn Lusk, 110 Flat Iron Rd., Tonasket	6,264.00
07-0346	Joanie Hegar, Riverside St., Twisp	5,257.00
07-0347	Judy Schwindt, 116 Ridge Line Dr., Tonasket	4,974.00
07-0348	Philip Gum, 29 Morris Rd., Okanogan	1,032.00
07-0349	District/Gum, 29 Morris Rd., Okanogan	2,111.00
07-0351	District, 1940 Hwy. 153, Carlton	2,055.00
07-0352	District, Ophir Substation, Brewster	14,531.00
07-0359	District, River Crossing, Malott	13,292.00
07-0362	Chris Farley, Redwing Dr., Tonasket	2,585.00
07-0364	Dave Travis, Bill Shaw & Saw Too Rd., Brewster	6,974.00
07-0371	Gebbers Farms, Red Apple Rd., Brewster	887.00
07-0384	District, Okanogan	628.00
07-0390	Nick Popelier, 26 Kirkpatrick Rd., Omak	1,918.00
	Total	\$129,096.00

d) Transfer of Accounts:

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

A.J. Gerard Building Co.	\$ 869.05
Ammons, Tara	302.99
Bertram, Kimberly & Michael	8.08
Bigwolf, April	86.76
Blanchard, Lisa	161.64
Fillmore, James	122.87
Funk, Anthony	28.45
Godfrey, David	67.45
Godfrey, David	347.49
Hinton, Dorothy	589.30
Horton, Shane	129.07
Jack, Teresa M.	14.73
Lawson, Jennifer	76.13
Martin, Dennis W.	304.57
Munson, Gary Lynn	260.36

Olson, Bjarne Jr.	601.95
Potter, Dawnelle G.	302.13
Sanchez, Norma	363.00
Turvey, Jennifer	421.50
Vanderbilt, Dave (Estate)	164.60
Vergon, Bobbi & Leon	461.56
Westbrook, Chrystal	165.22
Zumwalt, Frank	<u>628.55</u>
Total	\$6,477.45

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

3. Public Comment:

No public comments were offered.

4. Retail Authority:

Commissioner Bolz noted that he serves on a Washington PUD Association committee that is discussing issues relating to telecommunications in the 2008-09 legislative session, in particular retail authority. In that regard, the WPUDA is seeking input from its member utilities on the issue of whether public utilities should be given the authority to provide both retail and wholesale services.

Telecom Manager Warren Miller addressed the benefits of telecom retail authority for PUDs, including the possibility for Universal Service Funds to augment deployment in rural areas. He stated that NoaNet is also interested in retail authority as a means of expanding business, and the NoaNet Board will be discussing business planning for the future at its July 11, 2007 meeting.

Okanogan PUD’s interest in being a retailer of last resort will be noted in further WPUDA discussions.

5. Resolution No. 1338 – Surplus Equipment:

Resolution No. 1338 was introduced declaring certain equipment of the District surplus and authorizing the sale thereof.

Commissioner Butler moved, seconded by Commissioner Bolz, to adopt Resolution No. 1338. The motion carried unanimously.

6. Resolution No. 1339 – Project Help:

Don Coppock reviewed proposed revisions to the Project Help eligibility criteria and administrative guidelines, and introduced Resolution No. 1339 revising/amending the Project Help Program.

The District previously established the Project Help Program to provide District customers the opportunity to voluntarily donate funds to assist needy families and individuals who are unable to pay their electric utility bills and cannot obtain help elsewhere. Okanogan County Community Action Council administers the Project Help Program for the District.

Commissioner Bolz moved, seconded by Commissioner Butler, to adopt Resolution No. 1339. The motion carried unanimously.

7. Resolution No. 1440 – Governance Policy:

Doug Adams introduced Resolution No. 1440 adopting the Governance of the Okanogan PUD Commission. The policy covers the governance process and commission-staff linkage.

Commissioner Bolz moved, seconded by Commissioner Butler, to adopt Resolution No. 1440. A clarification to the policy and a change to the Resolution were offered, which Commissioner Bolz approved as the proposer of the motion. The motion as amended carried unanimously.

8. Resolution No. 1441 – Succession of Authority:

Doug Adams introduced Resolution No. 1441 approving Okanogan PUD’s Succession of Authority Plan. The Plan establishes the order of authority in the General Manager’s absence.

Commissioner Butler moved, seconded by Commissioner Bolz, to adopt Resolution No. 1441. The motion carried unanimously.

9. Shanker’s Bend Budget:

Doug Adams reported that the District’s FERC attorney has advised that additional information is required for the Shanker’s Bend Preliminary Permit Application, and the District must file within 45 days a revised map showing a project boundary that encloses all proposed project facilities.

The District has a budgetary need of \$400,000 to perform a preliminary feasibility study of the Similkameen River as a potential site for a water storage facility. As an offset to the cost of the study, \$300,000 has been committed by the State and \$50,000 by the Corp of Engineers with the District providing \$50,000 in matching funds.

For informational purposes, a Shanker’s Bend Dam Feasibility Study White Paper authored by David Cummings of Ecology was distributed for review.

Commissioner Butler moved, seconded by Commissioner Bolz, to increase the budget to allow funds in the amount of \$400,000 for the Shanker's Bend Project, which would be comprised of \$300,000 from the State, \$50,000 from the Corp of Engineers and \$50,000 in District matching funds. The motion carried unanimously.

10. Aerial Lift Budget Purchase:

Doug Adams requested authorization to exceed the 2007 budget by \$5,100 for the purchase of an Aerial Lift. The 2006 budget included \$30,000 for the purchase of a used Articulating Rough Terrain 4-Wheel Drive Aerial Lift, however, those funds were carried over to 2007 because an Aerial Lift could not be located. Since that time, a quality Aerial Lift that meets the District's needs is available at a local dealer for \$32,500 plus tax.

Commissioner Bolz moved, seconded by Commissioner Butler, to authorize a \$5,100 increase in the 2007 budget to allow for the purchase of an Aerial Lift in the total amount of \$35,100. The motion carried unanimously.

11. Manager's Report:

The Washington PUD Association is inviting utilities to place ads in the October issue of the WPUDA Connections magazine that will be sent to the State Legislators. The Board approved Okanogan PUD expending \$500 for the purchase of a half page ad in the special issue.

The Bonneville Power Administration will hold a public meeting on August 1, 2007 at the Sheraton Portland Airport Hotel to provide an update on the status of the Residential Exchange Program.

Following discussion on the District's headquarters building facilities study, the Board scheduled a special meeting at 7:00 p.m. on July 23, 2007 at the PUD auditorium to receive comment and provide information. Representatives of the Zeck Butler architectural firm will be in attendance.

A letter was received from the Northwest Power and Conservation Council welcoming public comment through July 24, 2007 on the funding of BPA fish and wildlife projects.

12. Power Report:

Ron Gadeberg reported that wholesale power sales of \$1.7 million in June exceeded the monthly budgeted forecast by \$700,000. Total wholesale and retail sales of electricity for the year have exceeded projected budget amounts by \$3.2 million through June 2007 (\$2.6 million over the original budget through June for wholesale power sales and \$504,000 over the original budget

for retail sales through April).

Tom Pearson provided an update on the District's Request for Proposals for the anticipated power supply deficit beginning October 2011 through 2018.

13. Meetings:

Commissioner Bolz reported that he attended a telecom committee meeting on June 29, 2007 at Douglas County PUD.

The next Okanogan PUD Commission meeting is scheduled on July 24, 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.

IV. Executive Session:

The regular meeting was recessed at 3:24 p.m. and reconvened immediately into executive session to evaluate the qualifications of an applicant for public employment and 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 30 minutes with no action expected. At 3:55 p.m. the executive session was recessed with no public announcement.

V. Adjournment:

There being no further business to discuss, the meeting was adjourned at 3:55 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary