

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
July 24, 2007
12:30 PM**

Present: Board: Ernest Bolz, Trish Butler
Staff: Doug Adams, Don Coppock, Tom Pearson, Warren Miller,
Ron Gadeberg, Derek Miller, Steve Brown, Julie Pyper
Attorney: Michael Howe
Public: Sheila Corson – 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 7-10-07
 - b) Vouchers
 - c) Work Orders
 - d) Transfer of Accounts
 - 3. Public Comment
 - 4. Power Purchase RFP
 - 5. Telephone System RFP
 - 6. Resolution No. 1442 – Establishing Commissioners Compensation
 - 7. Future Planning
 - 8. Manager’s Report
 - 9. Power Report
 - 10. Other Business
 - a) New
 - b) Unfinished
 - 11. Meetings
- IV. Executive Session
- V. Adjournment

I. Call to Order:

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

II. Workshop:

The topic of Risk Management and Trading Policies was discussed during the workshop period.

III. Business Meeting:

1. Approval of Agenda:

The Telephone System RFP 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 July 10, 2007 regular meeting were submitted for approval.

b) Vouchers:

The following vouchers were submitted for approval:

Vouchers 82, 84 and 97807 through 97866 in the amount of \$299,628.78, vouchers 86, 103 and 97867 through 97887 in the amount of \$231,172.54, and vouchers 88 and 97888 through 97931 in the amount of \$330,064.78.

c) Work Orders:

The following work orders were submitted for approval:

07-0193	Jerry Houser, 90 Windy Flats Rd., Tonasket	\$ 3,818.00
07-0276	Cindy Lynn & Joey Skavinsky, Roundup Rd., Tonasket	2,188.00
07-0290	District, Omak High School	17,531.00
07-0305	David Koehn, 375 State Hwy. 7, Tonasket	1,917.00
07-0323	Omak School District	24,292.00
07-0350	Brett Loebe, Knox Rd., Riverside	10,306.00
07-0366	Cascade & Columbia River Railroad, Ellisforde	1,370.00
07-0368	District, Spring Coulee Rd., Okanogan	595.00
07-0374	James Greg, VanderSheldon Rd., Tonasket	4,816.00
07-0380	City of Brewster, Hwy. 97, Brewster	1,046.00
07-0384	District, Okanogan	1,086.00
07-0387	Allen Byrd, Hwy. 153, Pateros	2,274.00
07-0388	District, Hwy. 17, Pateros	696.00

07-0392	James Curry, 26 Blackler Rd., Oroville	4,031.00
07-0393	Rodger Allen, 442 Warren Ave., Pateros	1,020.00
07-0394	Dennis Chittick, 450 Warren Ave., Pateros	513.00
07-0395	District, Crandall Rd., Omak	910.00
07-0400	Okanogan School District, 130 5 th Ave. S.	2,755.00
07-0403	Dan Osborne, Methow River Ranch, Phase 2, Lot 50	2,756.00
07-0409	District, Chiliwist Rd., Malott	1,587.00
07-0411	Ron Schmidt, 46 Shumway, Omak	5,974.00
07-0418	Jeff Lewis, Bill Shaw Rd., Brewster	5,621.00
07-0422	Jerry Goeman, Jr., Yellow Jacket Rd., Methow	9,013.00
07-0423	Andrew Ade, Fritz Rd., Riverside	10,945.00
07-0425	District, Fritz Rd., Riverside	2,121.00
07-0426	Donald Smith, 420 Lake St., Conconully	965.00
07-0428	Allan Darrow, 50 Hopfer Rd., Omak	514.00
07-0429	District, Monse Bridge Rd.	635.00
07-0430	Sandra Thomas, Surface Lane, Twisp	6,072.00
07-0431	District, 734 N. Star Rd., Brewster	1,763.00
07-0432	Mike Ray, 39 Anderson Rd., Riverside	6,833.00
07-0433	Frontier Hereford Ranch, 1729 Hwy. 7, Oroville	3,994.00
07-0434	District/Mike Ray, 39 Anderson Rd., Riverside	1,240.00
07-0435	Colville Tribe, B & O Rd., Malott	1,131.00
07-0439	Lucas Apartments, Indian Ave. E., Brewster	1,175.00
07-0440	City of Omak, Ash St. & Dewberry	<u>6,246.00</u>
	Total	\$149,749.00

d) Transfer of Accounts:

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

Charles Shadle	Invoice #4242	\$1,527.83
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Commissioner Butler moved, seconded by Commissioner Bolz, to approve the consent agenda. The motion carried unanimously.

3. Public Comment:

No public comments were offered.

4. Power Purchase RFP:

With regard to Okanogan PUD’s anticipated power supply deficit beginning October 2011 through 2018, Power Resource Manager Tom Pearson informed the Board that the District has extended its request for power purchase proposals to October 23, 2007. Several counterparties

are interested in presenting an energy offer, and it was determined that it would be in the interest of the District and other parties to delay the response time to the RFP.

The Power Resource Manager was authorized to construct for the Board's review a letter formally requesting that Energy Northwest commence discussion on further development of nuclear power in our region.

5. Telephone System RFP:

Telecom Manager Warren Miller reported that four vendors responded to the District's Request for Proposals for a new telephone system for all Okanogan PUD offices. Following an evaluation of the proposals, a vendor was selected to provide an IP Telephone System that will replace the company's existing system and connect with the District's data network.

Prior to the Board's authorization of a Professional Services Agreement, Miller requested, and was granted, permission to contact the chosen vendor and negotiate additional efficiency items not on the RFP.

6. Resolution No. 1442 – Establishing Commissioners Compensation:

As a result of House Bill 1368, Resolution No. 1442 was introduced to establish the compensation to be paid to District Commissioners. The Resolution provides that the salary and per diem compensation to each Commissioner of the District be established in accordance with the maximum amounts and limitations allowed by State law for both salary and per diem compensation, as provided by RCW 54.12.080 as amended.

Commissioner Butler moved, seconded by Commissioner Bolz, to adopt Resolution No. 1442. The motion carried unanimously.

7. Future Planning:

Resolution No. 1322, setting the regular meeting schedule of the Board of Commissioners, provides that meetings will convene at 12:30 p.m. with a workshop as the first agenda item and regular session/public comment at 1:30 p.m.

Following discussion, it was agreed that future agendas will list the business meeting commencing at 12:30 p.m. unless there is a workshop topic.

8. Manager's Report:

- Energy Northwest recently brought to the District's attention that the American Public Power Association gives a large dues reduction for Joint Action Agencies (such as Energy Northwest) if all of their members are APPA members or if the Joint Action

Agency pays the dues for the non-APPA members. ENW's current dues of \$53,297.83 would be reduced to \$500 under this billing scheme. Okanogan PUD was a previous APPA member, but at this time is one of three ENW members that are not members. ENW has offered to 1) pay the dues for any member who doesn't want to be an APPA member and 2) in the future provide up to \$1,500 as a scholarship towards membership. The APPA dues for Okanogan PUD would be \$7,604.94.

Commissioner Bolz moved, seconded by Commissioner Butler, for Okanogan PUD to rejoin APPA and pay its own dues of \$7,604.94. The motion carried unanimously.

- The Bonneville Power Administration decided not to seek a rehearing of a decision by the 9th U.S. Circuit Court of Appeals that residential exchange contract agreements between BPA and the region's investor-owned utilities violated the Northwest Power Act.

Commissioner Butler and Manager Adams will attend a public meeting held by BPA on August 1, 2007 at the Sheraton Portland Airport Hotel. The discussion will be on how the region can move forward to provide residential exchange benefits that are both equitable and consistent with the law.

- BPA released last week a Long-Term Regional Dialogue Policy. The Policy includes a new tiered rate approach to provide customers more choices as to how to serve their load growth. Further discussion will take place at the Northwest Tribal Energy Meeting in Spokane on July 30-31, 2007, which Manager Adams and Power Resource Manager Pearson will be attending.
- Core sampling of the sediment behind Enloe Dam will start next week.

9. Power Report:

A power report will be presented at the August 7, 2007 meeting.

10. Other Business:

a) New:

The new business of APPA dues was addressed in the Manager's Report section.

b) Unfinished:

There was no unfinished business.

11. Meetings:

Commissioner Butler reported on proceedings of the Washington PUD Association meetings she attended in Ellensburg on July 18-19, 2007. Sessions included utility finance training for PUD Commissioners and a Commissioners Roundtable discussion on residential exchange.

Commissioner Bolz reported that he attended a NoaNet Board meeting/workshop in Kennewick on July 11, 2007. The Board and attending members discussed the potential future of NoaNet and concluded that NoaNet will follow its present program of expanding services to meet the needs of its growing clientele base without reaching into new areas. Since finances have turned around considerably in the last two to three years, the priority of stopping assessments and repaying funds as soon as possible was reiterated. Commissioner Bolz will also attend the Energy Northwest Board of Directors meeting in Richland on July 24-25, 2007.

The next Okanogan PUD Commission meeting is scheduled on August 7, 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 2:35 p.m. and reconvened into executive session at 2:40 p.m. to evaluate the qualifications of an applicant for public employment, pursuant to RCW 42.30.110(1)(g), and to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, 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 expected the executive session would last approximately 30 minutes with no action anticipated. At 3:10 p.m. the executive session was extended 15 minutes. At 3:23 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 3:23 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary