

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
November 13, 2007
12:30 PM**

Present: Board: David Womack, Ernest Bolz, Trish Butler
Staff: John Grubich, Doug Adams, Don Coppock, Ron Gadeberg,
Steve Brown, Julie Pyper, Tina DeLap, Kelly Gunn
Attorney: Michael Howe
Public: Sheila Corson – The Chronicle

Summary Agenda

- I. Call to Order
- II. Business Meeting – 12:30 p.m.
 1. Approval of Agenda
 2. Consent Agenda Items
 - a) Minutes of 10-23-07 (Moved from Consent Agenda)
 - b) Vouchers
 - c) Work Orders
 - d) Transfer of Accounts
 3. Approval of Minutes
 4. Public Comment
 5. Unfinished Business
 - a) Resolution No. 1448 – Changing Effective Date of General Manager Appointment
 - b) Hearing on Adoption of 2008 Annual Budget
 - c) Central Washington Power Agency Update
 6. New Business
 - a) Resolution No. 1449 – Revising Legal Services Retainer Agreement
 7. Manager’s Report
 8. Power Report
 9. Other Business
 10. Future Planning
 11. Meetings
- III. Executive Session
- IV. Workshop/Budget Planning
- V. Adjournment

I. Call to Order:

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

II. Business Meeting:

1. Approval of Agenda:

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

2. Approval of Consent Agenda Items:

a) Minutes:

The minutes of the October 23, 2007 regular meeting were submitted for approval.

Commissioner Bolz moved to remove the Minutes from the Consent Agenda for amendment. Commissioner Butler seconded the motion, which carried unanimously.

b) Vouchers:

The following Vouchers were submitted for approval:

Vouchers 114, 135 and 99237 through 99257 dated October 25, 2007 in the amount of \$221,343.27; vouchers 137, 139, 141 and 99258 through 99317 dated October 30, 2007 in the amount of \$1,407,897.51; vouchers 99318 through 99438 dated November 6, 2007 in the amount of \$480,685.80; vouchers 115, 143 and 99439 through 99459 in the amount of \$283,770.24 dated November 8, 2007 and 99460 through 99564 dated November 13, 2007 in the amount of \$740,340.35.

c) Work Orders:

The following Work Orders were submitted for approval:

07-0004	Conran, Tom; Crystal Brooke Ln, Monse	\$1,264.00
07-0004	Bartholf, Dave; Ansel Ave, Brewster	\$2,004.00
07-0169	District/Burley; Jonathan Ln, Omak	\$568.00
07-0386	Brothers, Dennis; Tunk Rd, Tonasket	
	\$8,123.00	
07-0629	Prater/Hatch; Spur Rd, Oroville	\$3,226.00
07-0635	Erickson/Sklar; Breshears Rd, Omak	\$4,631.00
07-0652	Johnson, Dan; Turkey Gulch Rd, Malott	\$1,410.00

07-0656	Kauffold, Chris; Horizon Dr, Tonasket	\$4,420.00
07-0657	District; Pine Crk Rd, Tonasket	\$1,929.00
07-0659	District; 4 th and Irene, Okanogan	\$4,682.00
07-0661	Cates & Erb; Ferry St, Omak	\$757.00
07-0662	Yelm Holdings; Engh Rd, Omak	\$23,687.00
07-0663	Qwest; 4 th Ave, Okanogan	\$3,826.00
07-0664	District; Epley Rd, Omak	\$1,700.00
07-0666	Martin, Anthony & Carole; Bell Ln, Carlton	\$5,638.00
07-0667	Englert, Dale; Hosheit Rd, Omak	\$14,256.00
07-0668	Fateley, Bob; River View Hts Rd, Brewster	\$4,444.00
07-0690	District; Tonasket Substation, Tonasket	\$13,909.00
07-0692	Qwest; Woodward Rd, Okanogan	\$1,569.00
07-0693	Hanson, Pat; Hwy 7, Oroville	\$1,422.00
07-0695	Klein, Kevin; Okoma Dr, Omak	\$1,288.00
07-0696	District; Hwy 155, Omak	\$797.00
07-0697	Taylor, Tim; Blossom Ln, Brewster	\$1,739.00
07-0698	Friedman, Simon; WildCat Ridge Rd, Twisp	\$6,625.00
07-0699	Tollefson Construction; Hwy 97, Oroville	\$1,406.00
07-0701	District/Qwest; Ash St, Omak	\$746.00
07-0702	City of Omak; Quassia St, Omak	\$528.00
07-0703	Coulee Dam Credit Union; Hwy 97, Brewster	\$8,786.00
07-0704	Nieuwenhuis, Steve; Hwy 153, Pateros	\$2,708.00
07-0712	Atlas Marketing; Riverside Eastside Rd, Omak	\$602.00
07-0715	District; Riverside Dr, Omak	\$2,458.00
07-0724	District; Stokes Rd, Pateros	\$2,171.00
07-0725	Schawb, Cliff & Joy; Burma Rd, Pateros	<u>\$4,844.00</u>
	Work Order Total:	\$138,163.00

d) **Transfer of Accounts:**

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

Bagby, Charles J. Sr.....	\$517.04
Beaver, Daniel.....	\$131.36
Bent, Josefina.....	\$74.96
Blancas, Jose.....	\$101.66
Bogges, Brenda & Cal.....	\$632.06
Cossey, Joseph.....	\$74.21
Escalera Hernandez, Heriberto.....	\$499.64
Frisch, Leroy A. (Estate).....	\$34.72
Hammer, Charles.....	\$40.14
Harvey, Ryan.....	\$53.79
Kever, Craig.....	\$14.37

Krause, Nick.....	\$90.32
Lambert, James & Tammy.....	\$319.72
McCartney, Andrew.....	\$79.73
McCoy, Patricia.....	\$311.33
Mieirs, Shannon Jay.....	\$23.98
Mobbs, Tamara.....	\$38.17
Moody, Bessie & Horace.....	\$42.66
Nila Jose Jesus.....	\$96.79
Rogberts, Kenneth V. III.....	\$11.13
Smith, Allen R.	\$18.62
Snidarich, Tony.....	\$60.11
St. Peter, Mable.....	\$96.24
Storm, Sabrina.....	\$186.75
Wanless, Eric J.....	\$4.92
Zavala, Rose M.....	<u>\$92.96</u>
Total:	\$3,647.38

The motion to approve the Consent Agenda with the Minutes removed was entered by Commissioner Butler, seconded by Commissioner Bolz, and approved unanimously.

3. Approval of Minutes

Minutes of the October 23, 2007 regular meeting were submitted for approval.

Commissioner Butler entered a motion to amend the minutes to reflect the dates of the WPUDA meeting as October 17th – 19th, rather than October 17th – 18th. Commissioner Bolz seconded the motion, which passed unanimously.

Commissioner Bolz moved to approve the minutes as amended. Commissioner Butler seconded the motion. The motion to accept the minutes as amended carried unanimously without further discussion.

4. Public Comment:

No public comments were offered.

5. **Unfinished Business:**

a) **Resolution 1448 - Changing Effective Date of General Manager Appointment**

Resolution No. 1448 was signed, based on action taken at the October 23, 2007 Board meeting, amending Resolution No. 1444 and thereby changing the date of hire for John Grubich from November 1, 2007 to the effective date of October 30, 2007.

b) **Hearing on Adoption of 2008 Annual Budget:**

The hearing on the adoption of the 2008 budget was continued to the next meeting on November 27, 2007 at 12:30 p.m.

No public comments were received.

c) **Central Washington Power Agency:**

The District's cost continues to decrease as other utilities express interest in joining. CWPA is in the process of interviewing a Project Lead. Manager of Operations Doug Adams will keep the Board updated as to progress.

6. **New Business:**

a) **Resolution 1449 Revising Legal Services Retainer Agreement**

Commissioner Bolz moved to approve Resolution 1449, revising the Legal Services Retainer Agreement between the District and Michael D. Howe. The amended Agreement will change the District's Legal Counsel from Michael D. Howe to the law firm of Callaway Howe & DeTro, PLLC. Mr. Howe will continue as the District's primary Legal Counsel. Commissioner Butler seconded the motion. Upon the vote, the motion carried unanimously.

7. **Manager's Report:**

Manager of Operations Doug Adams presented the Manager's Report.

The District has officially started labor negotiations. Our contract expires April, 2008.

The Investor Owned Utilities (IOU's) and Customer Owned Utilities have reached a tentative agreement on BPA's Residential Exchange Program. In the proposed agreement, annual payments would be reduced to 65% of the \$330 million through the 20 year contract beginning in 2012, with no escalation clause. The Public Power Council (PPC) Executive Committee has agreed with this proposed agreement, which sets guidelines for BPA to follow.

On November 7th the District filed a Draft permit with FERC for relicensing of Enloe Dam. Preliminary studies are done, and a 90 day comment period has begun.

8. Power Report:

Power Resource Analyst Ron Gadeberg reported the power market has remained strong, with steady prices experienced throughout the year. Retail sales are close to projections, and the District is \$3.2 million over 2007 budget forecasts.

BPA is subject to new Chum flow requirements at Bonneville Dam starting November 9th and running through the end of 2007. There is more water in the river, but the Chum flow elevation constraints limit the flexibility to generate and sell power. Energy supplies continue to exceed demand, and projections look good for this trend to continue through December.

Siemons has replaced gearboxes on 21 machines experiencing failures at the Nine Canyon Wind Farm Phases I & II. Crews are on site checking for potential additional failures. Costs doubled last year due to these operational problems.

Two towers are up on Phase III of the Nine Canyon Wind Project, with completion anticipated by the end of the year.

9. Other Business:

The District had a court hearing on October 30, 2007 with Don and Kristen Super regarding a property crossing and trespass claim. The Supers' claims were based on alleged oral agreements occurring during the summer of 2000. The case was dismissed based on the Statute of Limitations for oral agreements.

10. Future Planning:

There were no future planning items presented.

11. Meetings:

Commissioner Butler attended the Energy Northwest Member Forum in Richland, Washington on October 25 & 26, 2007. The conference highlighted conservation innovations and transitioning to renewable energy sources to reduce dependence on oil.

Commissioner Womack attended the October 30, 2007 trial between Don and Kristen Super and the District.

Commissioners Womack and Butler accompanied Manager John Grubich to Colville on November 5, 2007 for a meeting with regional utilities and 7th District legislators. Senator Morton and Representative Kretz gave a presentation on the Shanker's Bend water storage

project.

The next Okanogan PUD Board of Commissioners meeting is scheduled on November 27, 2007 at 12:30 p.m. in the Okanogan PUD auditorium.

A Budget Workshop will occur on December 11, 2007 following the regular Board Meeting.

The Regular Meeting recessed at 1:37 p.m.

III. Executive Session:

Executive Session convened at 1:55 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 expected the executive session would last 30 minutes with action anticipated. At 2:24 p.m. the regular meeting was reconvened and immediately recessed into Executive Session for an additional 10 minutes.

The regular meeting reconvened at 2:35 p.m.

Commissioner Bolz entered a motion to authorize the Manager to negotiate a temporary position to facilitate the study of the Shanker's Bend project. Commissioner Butler seconded the motion, which carried with unanimous approval.

IV. Workshop/Budget Planning:

The Workshop period convened at 2:35 p.m. for the purpose of discussing the draft 2008 Budget, and adjourned at 5:02 p.m.

V. Adjournment:

There being no further business to discuss, the meeting was adjourned at 5:03 p.m.

David A. Womack, President

Ernest J. Bolz, Vice-President

ATTEST:

Trish Butler, Secretary