

**Minutes of the Regular Meeting of the Okanogan County
Public Utility District Board of Commissioners
Held in Okanogan May 22, 2001**

Present: Board: Donald Johnson, James Rowland
Staff: Harlan Warner, Richard Trimble, Frederick Burke, Debra Peters, Julie Pyper
Other: Michael Howe, Legal Counsel; Susie Joe, Chronicle; Jim DeTro, Bob Tollefson

Vice-President Johnson called the meeting to order at 8:37 a.m.

Summary Agenda

1. Approval of Minutes
2. Approval of Work Orders
3. Transfer of Accounts
4. Vouchers
5. Public Comment
6. Attorney General Opinion on Loans for Renewables
7. Washington2Advocates Contract
8. Nine Canyon Wind Project Report
9. L & I Appeal Decision
10. BPA Load Reduction
11. Financing on NoaNet Bonds - Resolution No. 1215
12. Public Comment
13. Adventures Scholarships
14. Meetings
15. Executive Session - Utility Tax on Tribal Accounts

1. Approval of Minutes:

Commissioner Rowland moved to approve the Minutes of the May 8, 2001 regular meeting; Commissioner Johnson seconded; motion passed.

2. Approval of Work Orders:

The following work orders were submitted for approval:

01-0044 District, Old Hwy. 97	65,692
01-0081 Joe Hubbard, Hubbard Rd., Riverside	1,092
01-0082 District, Hanson Rd., Malott	1,609
01-0085 District, Conconully Hwy.	1,622
01-0087 Ron Jones, 8 Johnson Creek Rd., Omak	2,050
01-0310 Don Dagnon, Nighthawk	3,150
01-0327 Cal Godwin, Hwy. 97 - 1.5 mi. S. of Tonasket	990
01-0331 Chris wood (Midway Tile), Tonasket Frontage Rd.	2,325
01-0335 Jerry Jensen, Lot 2 - Sherri Loop	3,200

01-0339 Forrest Boyer, Kay St., Oroville	662
01-0340 Vic Elmore, Andrews Lake Rd.	4,250
01-0342 Wes Edwards, Hwy. 97	2,189
01-0343 Bob McDaniel, Whitestone Lake	6,377
01-0347 District, Chesaw	1,825
01-0633 Rick Owens, 2080 Hwy. 153	1,685
01-0637 P & G Orchards, Monse River Rd.	2,074
01-0638 District, Brewster Substation	16,456
01-0639 District/Gebbers Farms, Inc., Gebbers Lane, Brewster	1,884
01-0641 Ken Schneider, Marline Roth, Greg Port, Elbow Coulee Rd., Twisp	14,805
01-0646 District, 108 Gold Creek Rd.	770
01-0647 Chris Anderson, Harmony Heights	2,857
01-0648 Ken Hooper, Harmony Heights, Brewster	4,404
Total \$	

Commissioner Rowland moved to approve the work orders; Commissioner Johnson seconded; motion passed.

3. Transfer of Accounts:

There were no accounts submitted for transfer.

4. Vouchers:

Vouchers No.'s 66110 through 66231 in the amount of \$593,800.30, No.'s 66232 through 66261 in the amount of \$158,563.62, and No.'s 66262 through 66343 in the amount of \$3,362,752.78 were approved for payment from the revenue fund.

5. Public Comment:

There was no public comment.

6. Attorney General Opinion on Loans for Renewables:

The Wenatchee State Auditor's office has declined to pursue the Attorney General opinion on loans for renewables, and suggested that the avenue available is through a legislator making the request to the Attorney General's office on the District's behalf. The District will therefore request assistance from Senator Bob Morton to obtain an opinion from the Attorney General's office on the legality of loaning public funds for renewable energy sources. Attorney Howe will make contact with the Ferry PUD attorney on the common issues to both Districts.

7. Washington2Advocates Contract:

Harlan Warner reported after the District approved at the May 8, 2001 meeting participation of \$6,335 for funding the Washington2Advocates Contract, a revised formula was received that increased Okanogan's share to \$7,680. Two PUDs have advised they will not participate, and

their portion has been reallocated among the rest of the members. Manager Warner said there may, however, be more participation as the PUD Association information indicates additional participants are being sought.

Following discussion, the Board declined to increase Okanogan's participation level.

8. Nine Canyon Wind Project Report:

Harlan Warner reported that he, Darrel Bunch, Larry Felton and Rich Trimble attended a Nine Canyon Wind Energy Project update meeting in Richland on May 15, 2001. Four bids for the project were received, and all were rejected for various non-qualifying factors. Negotiations with the individual bidders are underway, and the project is on schedule. Individual shares for the 50 MW project were developed at the meeting. Okanogan is the largest participant at 24%. A final drafting session will be held in Seattle on May 25th, which Rich Trimble will attend.

Manager Warner said that the wind experts were on site and in the field with Larry Felton, and that a plane tour is scheduled for 1:00 p.m.

9. L & I Appeal Decision:

Harlan Warner reported on the Labor and Industries appeal decision of the District's April 2000 citation on hard hat and vest violations regarding the crew in south Okanogan. The hard hat violation was vacated, and the vest violation was reduced from serious with a penalty to general without a penalty.

10. BPA Load Reduction:

Harlan Warner reported that the District's BPA account executive, Garry Thompson, visited the utility last week to discuss how BPA might realize a 10% load reduction in an effort to keep the BPA rate increase under 100%. BPA wants two-year signed contracts in place by the end of May. Okanogan PUD, as a Slice/Block customer, would be deficient 10% by relinquishing a share of Slice, and would have to purchase on the market or buy conservation to replace the deficit. The District is working to see what avenues might be acceptable to BPA. The BPA load reduction will be a discussion item at the Managers' meeting this week.

The Board agreed not to commit with BPA until after the Managers' meeting.

11. Financing on NoaNet Bonds - Resolution No. 1215:

Rich Trimble presented Resolution No. 1215, which authorizes the General Manager to execute a Third Repayment Agreement relating to the Northwest Open Access Network's telecommunications network revenue bonds in the amount of \$27 million. This bond issue covers an existing short-term line of credit in the amount of \$17 million and anticipated capital improvements to NoaNet planned over the next couple of years.

Commissioner Rowland moved to approve Resolution No. 1215; Commissioner Johnson seconded; motion passed.

12. Public Comment:

Jim DeTro asked if the District was going to be looking for a server for NoaNet, which Assistant Manager Trimble responded that the District is pursuing a request for proposals for third parties to provide services to the end user.

Commissioner Johnson said that Walt Jones of Tonasket suggested that customers be allowed to read their own meters to save the utility money. Manager Warner said the District would have to change out all meters to allow customers to read their own meters, as the meters are read electronically.

Commissioner Johnson requested an update on the Foster Wheeler proposal. Manager Warner said he received the draft proposal yesterday, and that it will be reviewed by District staff and Electrical Consultants, Inc. before a final report is submitted.

13. Adventures Scholarships:

Debra Peters distributed for the Board's review a press release announcing the Adventures in Science scholarship recipients. Scholarships have been awarded to Sam Shaddox of Tonasket, who will attend Explorations in Chemistry; and Tyler Thompson of Omak and Douglas DeLap of Malott, who will both attend Technology Creative Problem Solving.

Ms. Peters reported that scholarship applications were made available to all 6th, 7th and 8th grade students in Okanogan County. Twenty application booklets were requested, and three students applied for the scholarship program.

The Board approved the press release.

14. Meetings:

Commissioners Johnson and Rowland had no meetings to report.

The next Okanogan PUD Board meeting is scheduled for June 5, 2001

15. Executive Session - Utility Tax on Tribal Accounts:

The Board recessed into executive session at 10:45 a.m. to discuss the agenda item utility tax on tribal accounts. The Board reconvened into regular session at 11:55 a.m.

There being no further business to discuss, the meeting adjourned at 11:55 a.m.