

**Minutes of the Regular Meeting of the Okanogan County  
Public Utility District Board of Commissioners  
Held in Okanogan December 11, 2001**

**Present:**

Board: Darrel Bunch, Donald Johnson, James Rowland  
Staff: Harlan Warner, Richard Trimble, Frederick Burke, Janet Crossland,  
Derek Miller, Larry Felton, Dan Boettger, George Webster, Jeff  
Rhoads, Debra Peters, Steve Brown, Julie Pyper  
Other: Michael Howe, Legal Counsel  
Susie Buchert, The Chronicle  
Public: Maeyowa, Lorah Waters, Vicky Welch

President Bunch called the meeting to order at 8:30 a.m.

**Summary Agenda**

1. Approval of Minutes
2. Approval of Work Orders
3. Transfer of Accounts
4. Approval of Vouchers
5. Public Comment
6. Treasurer Report
7. Conservation Program Report
8. Residential Customer Usage Report
9. CERB Grant Resolution No. 1229
10. Foster Wheeler Proposal - EIS
11. Board Meeting Schedule
12. Fiber Bid Award
13. Resolution No. 1228
14. Public Comment
15. Meetings
16. CIPP

**1. Approval of Minutes:**

Commissioner Johnson moved to approve the Minutes of the November 27, 2001 regular meeting; Commissioner Rowland seconded. Commissioner Johnson requested the following amendments:

5. Public Comment: Remove the following incorrect statement: Attorney Howe said the Resolution was specific to the acquisition of generators.

7. Summer Rewards Program: Revise as follows: Savings in kilowatt hours of more than 10% were not included in the total. There were customers who

specifically reduced their electrical usage ... although many were thought to have received rewards...

9. Methow EIS: Add: Commissioner Johnson pointed out that the PUD presently owns sufficient generators for the job and the additional \$5 million budgeted for leasing diesel generators would not be required.

Revise as per discussion: The District will obtain a copy of BPA's documentation in support of the Twisp/Pateros line.

14. Minutes: Revise: Commissioner Johnson felt that if the comments of others are to be included, Commissioner comments should also be included.

Commissioner Rowland requested that "lectern" be substituted for "podium."

The motion passed.

## 2. Approval of Work Orders:

The following work orders were submitted for approval:

01-002	District, Brown Rd.	625
01-002&3	Coy Herriman, Green Acres Rd., Omak	1,570
01-0199	Sid Norris, Dewberry Ave., Omak	3,937
01-0442	District, Oroville Warehouse Dock	8,500
01-0443	Stan Jones, Aeneas Valley	8,300
01-0444	Ron Kjerland, Lot 13, Nine Mile Division I	5,600
01-0446	Landon Becker, 1102 Hwy. 20	735
01-0447	District, Red Cliff, Hwy. 7	725
01-0448	Bob Thompson, Wannacut Lake	860
01-0450	Jack Mortenson, Brown Rd.	2,250
01-0621	Jeff Holbrook, Lombard St., Twisp (Rev. #1)	1,543
01-0734	Jeffrey & Stacy Gundersen, 11 Vintin Rd., Carlton	2,859
01-0735	Jerry Owens, Hwy. 153, MP 14.8	1,969
01-0736	District, Hwy. 153, MP 14.8	701
01-0738	Beebe Orchard Co., 9 Pedersen Rd., Pateros	2,312
01-0739	District/David Nickell, 52 Watson Draw Rd., Pateros	660
01-0744	District, Hwy. 153, SW #4122	2,942
	Total	\$46,088

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

## 3. Transfer of Accounts:

There were no accounts submitted for transfer.

#### **4. Approval of Vouchers:**

Vouchers No.'s 69172 through 69205 in the amount of \$168,561.46, No.'s 69206 through 69304 in the amount of \$562,889.84, and No.'s 69305 through 69424 in the amount of \$226,034.65 were approved for payment from the revenue fund.

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

#### **5. Public Comment:**

The Manager introduced the staff invited to today's Commission meeting: George Webster, a Brewster Lineman, and Jeff Rhoads, an Okanogan Line Crew Foreman.

Maeyowa requested a detailed copy of Foster Wheeler's alternatives study cost estimates.

Lorah Waters would like to see the use of more renewables as a means of conservation for Okanogan PUD. She has researched on the internet the use of agricultural waste and industrial bi-products.

#### **6. Treasurer Report:**

Janet Crossland reviewed the District's cash and investments. There is a need to acquire financing in early 2002. Manager Warner reported that a representative from the Bank of America visited the utility to discuss financing options. The District will need to make a decision on handling its own borrowing or retaining the services of a financial advisor.

#### **7. Conservation Program Report:**

Debra Peters and Steve Brown distributed information on the District's conservation programs. They reported activity with conservation loans, audits, appliance rebates, high-efficiency heat pumps, Super Good Cents manufactured homes, grid-connected solar projects, Community Action low-income weatherization, compact fluorescent light sales and a future torchiere turn-in day.

The Board commended Ms. Peters and Mr. Brown for their efforts.

#### **8. Residential Customer Usage Report:**

Fred Burke distributed a handout on the average kilowatt monthly usage by dwelling type based on 2000-2001 data. The average kilowatt usages were listed as: apartments - 753; cabins - 674; duplexes - 1,023; single family dwellings - 1,530; single wide mobiles - 1,322; double wide mobiles - 1,646; triple wide mobiles - 2,161.

Mr. Burke was requested to provide additional information on high/low ranges and customer counts.

#### **9. CERB Grant Resolution No. 1229:**

Rich Trimble presented Resolution No. 1229, which authorizes and directs the General Manager to execute on behalf of the District an agreement between the Washington State Community Economic Revitalization Board (CERB) and the District for aid in financing the costs of public facilities consisting of the Methow Redundant Fiber Optics Link.

The Office of Financial Management has frozen the expenditure of new capital budget appropriations, including the availability of CERB funding. The CERB, however, has some funds available on a first come, first serve basis. The District's project will receive CERB funding if the following conditions are met before January 31, 2002: Adopt a repayment resolution; submit an attorney's certificate; certify that NEPA and SEPA requirements are being met; and submit a letter from the manager stating that the project is meeting the following special conditions and is ready to proceed: the District supports the project (met by Board resolution); submit a letter from CenturyTel regarding the extension of 1.5 miles of fiber; NCTeleserve acquiring financing; and approval of building permits and DNR shoreline permits, which are expected to be done shortly. All conditions will be met, with the exception of NCTeleserve receiving financing. NCTeleserve's lender is requiring that a client be in place. In January, the District will ask the CERB board to waive this requirement. If the CERB board does not agree, the grant would be in jeopardy.

Commissioner Johnson moved to approve Resolution No. 1229; Commissioner Rowland seconded; motion passed.

#### **10. Foster Wheeler Proposal - EIS:**

Manager Warner distributed a proposal from Foster Wheeler Environmental for further analysis of the selected transmission and generation alternatives. Phase I is intended to provide the District with sufficient information to decide which alternative(s) to evaluate in subsequent permitting, and would include the following:

- A detailed review of the work conducted by Duke Engineering for the Twisp/Pateros and expanded Loup Loup routes;

- Coordination with the Forest Service to determine NEPA requirements for rebuilding within the existing Loup Loup right-of-way and a widened right-of-way;
- Coordination with other agencies regarding additional permitting requirements; and
- An update of the cost estimate for each alternative.

Foster Wheeler anticipates completing Phase I within two months of receiving the necessary information. The cost for Phase I is estimated at \$29,531. The actual permitting would be included in Phase II. The scope of work and cost estimate for Phase II will be determined following completion of Phase I.

Following discussion, the Board decided to review details of the cost estimates in the Foster Wheeler report prior to considering authorizing additional work. The Manager will contact Ellen Hall, and the matter will be readdressed at the January 8, 2002 Board meeting.

#### **11. Board Meeting Schedule:**

Since there were no meetings scheduled after January 8, 2002, the following meeting schedule was set:

January 22  
February 5, 19  
March 5, 26

#### **12. Fiber Bid Award:**

Nine bids were received in response to the invitation to bid for fiber cable. Graybar Electric Company was the low bidder of \$69,107.25 for 75,000 feet of 48 count, ADSS fiber-optic cable, 500' loading, for the Brewster-Pateros route. The engineering estimate was \$225,000. The District will not award fiber for the Twisp route at this time. However, Graybar, as the low bidder, has agreed to hold pricing until April 1, 2001.

Commissioner Rowland moved to approve the low bidder, Graybar Electric Company, be awarded the bid of \$69,107.25 for 75,000 feet of 48 count, ADSS fiber-optic cable, 500' loading; Commissioner Johnson seconded; motion passed.

#### **13. Resolution No. 1228:**

The Board signed Resolution No. 1228, which was adopted at the November 27, 2001 meeting.

#### **14. Public Comment:**

Maeyowa felt there was not equal attention given to all of the Methow alternatives, and that there was more emphasis on the Pateros to Twisp route.

Vicky Welch asked questions about the fiber-optic project. She is interested in investing in local generation, decreasing the demand for electricity, and inverted tiered rates.

#### **15. Meetings:**

Commissioners Johnson and Rowland had no meetings to report.

Commissioner Bunch reported that he attended the Washington PUD Association annual meeting in Seattle on December 5 - 7, 2001.

#### **16. CIPP:**

Harlan Warner and Larry Felton reported on power purchase negotiations with the Colville Indian Precision Pine. The sale of the Omak mill to CIPP is scheduled to close on December 14, 2001. Two employees of CIPP met with the utility to discuss the mill's generation. CIPP would like to sell surplus power to the PUD, and requested the District's industrial retail rate with a longer term contract. If the District purchases power, it could be a reduction in the share of Slice that the District purchases from BPA, plus the District's industrial rate is above market now.

The Board agreed that the District should not jeopardize the BPA allocation or pay above market rates for the CIPP resource.

The next Okanogan PUD Board meeting is scheduled for January 8, 2002.

There being no further business to discuss, the meeting adjourned at 12:23 p.m.