

**Minutes of the Regular Meeting of the Okanogan County  
Public Utility District Board of Commissioners  
Held in Okanogan January 22, 2002**

Present: Board: Darrel Bunch, Donald Johnson, James Rowland  
Staff: Harlan Warner, Richard Trimble, Frederick Burke, Joe Miller, Joy  
Schultz, Derek Miller, Mike Siemon, Joyce Chervinskas, Dan Boettger,  
Debra Peters, Julie Pyper, Tina DeLap  
Other: Susie Buchert, *The Chronicle*; Ellen Hall, Foster-Wheeler via  
telephone  
Public: Roy Webster, John Andrist, Steve Mitzner, Maeyowa, Morgan, Vicky  
Welch, David Gottlieb, Kathleen Hirschstein, Lorah Waters

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

**Summary Agenda**

1. Approval of Minutes
2. Approval of Work Orders
3. Approval of Vouchers
4. Transfer of Accounts
5. Public Comment
6. Foster-Wheeler Contract Proposal
7. Omak Office Tour
8. Service Application Requirements
9. Central Washington Public Utilities (CWPU)  
Interlocal Agreement Revision - Resolution No. 1231
10. C&RD Measures
11. Employee Day Report
12. Fiber Report
13. Public Comment
14. Meetings
15. Executive Session - Litigation

**1. Approval of Minutes:**

Commissioner Johnson moved to approve the Minutes of the January 8, 2002 regular meeting; Commissioner Rowland seconded. Commissioner Johnson requested additions to item 8 - Methow Service EIS. Following discussion, it was agreed that only the following language would be included:

Differences in alternatives involve right-of-way expenses (including timber and access roads), the net cost of temporary power if the Loup Loup line is rebuilt, and environmental impacts. Direct costs for the transmission line and associated materials are the same with all alternatives.

An earlier question regarding BPA's preference of alternatives was answered by Manager Warner -- BPA has not looked at alternatives.

The motion passed.

**2. Approval of Work Orders:**

The following work orders were submitted for approval:

01-2&3	District, Osoyoos State Park	\$1,175
01-2&3	Daryl Asmussen, Tonasket Airport Rd.	\$1,200
01-0183	District, Windy Hill	\$750
01-0198	Bob Swan, Woods Rd., Omak	\$4,172
01-0202	District, Okanogan	\$30,000
01-0208	Tad Davis, 96 E. Pine St., Okanogan	\$4,314
01-0213	Travis McFarland, Duck Lake Rd.	\$2,057
01-0218	City of Omak, Ross Canyon Rd.	\$1,957
01-0466	District, 11th & Ironwood	\$650
01-0467	Doug Howerton, Chicken Robinson Rd.	\$4,325
01-0737	H. K. Russell, Twisp River Rd.	\$5,140
01-0740	Brittian Schmidt, 88 Cassimer Bar Access Rd.	\$2,564
01-0747	District, 148 Ives St., Pateros	\$708
01-0748	District, 20034 Hwy. 20, Twisp	\$945
01-0750	District, 2nd & Methow, Twisp	\$3,038
02-0022	Foursquare Church, 49 Hopfer Rd., Omak	\$1,526
02-0023	District, 529 Maple St., Okanogan	\$943
	Total	\$65,914.00

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

**3. Approval of Vouchers:**

Vouchers No.'s 69777 through 69809 in the amount of \$199,916.85, No.'s 69810 through 69827 in the amount of \$5,490.15, No.'s 69828 through 69949 in the amount of \$353,371.84, and No.'s 69950 through 70066 in the amount of \$1,035,360.02 were approved for payment from the revenue fund.

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

**4. Transfer of Accounts:**

There were no accounts submitted for transfer.

## **5. Public Comment:**

Maeyowa said she believes the DNR estimate of millions of dollars for expanding the Loup Loup route right-of-way is an erroneous figure. She said population, usage and building figures do not support that the lower valley is growing. She is dissatisfied with Foster-Wheeler and opposes the District paying any more money to them.

Roy Webster said the billing of irrigation rates on a monthly schedule instead of annually is a great burden. He asked questions regarding conservation and Enloe Dam.

Kathleen Hirschstein believes that Foster-Wheeler has submitted an incomplete report and opposes any more money be paid to them. She asked how Foster-Wheeler could make a comparison without a count on the miles of roads.

Morgan asked why the Foster-Wheeler report is demonstrating a biased view instead of concentrating on permits.

Vicky Welch supports rebuilding the Loup Loup line and inverted tiered rates.

Lorah Waters supports the Loup Loup rebuild and upgrading the existing distribution system. She does not believe that Foster-Wheeler has done an adequate job.

David Gottlieb voiced his concerns with Foster-Wheeler, and urged the District to be more cautious with money.

## **6. Foster-Wheeler Contract Proposal:**

Ellen Hall discussed Foster-Wheeler's addendum to the Scope of Work to the Phase I proposal to address additional information needs related to 1) timber valuation across agency lands and 2) power sales potential from a biomass plant. Phase I would include additional study, data compilations, costing of potential power sales and timber valuation estimated across agency lands, creating new GIS coverages for the Loup Loup line based on DNR maps as well as Department of Fish and Wildlife information, and additional meetings and site visits with permitting agencies. The new cost estimate is \$39,232. The scope of work and cost estimate for Phase II will be determined following completion of Phase I and the Board's decision concerning what alternative(s) to pursue further.

Following discussion, it was determined that the Foster-Wheeler proposal would need further revision to address the issues of a biomass plant cost estimate; a construction schedule estimate for the Loup Loup line to determine if the project can be constructed during the summer when the load is smaller;

a determination of the value of temporary generated power; and a determination of the cost for timber valuation, clearing and roads for the Twisp/Pateros and Loup Loup routes. This information, however, would not provide a complete analysis, both cost and environmentally, because the design would be based on conceptual and not actual.

At the conclusion of the discussion, the Board opposed extending the Foster-Wheeler contract and spending more funds to study the project further. They supported maintaining the existing line and reviewing the matter in the future. Fred Burke asked the Board if their decision changed the bond issue financing of \$8 million for the transmission line. No action was taken.

The Manager introduced the employees invited to today's Commission meeting: Mike Siemon, an Okanogan Lineman Foreman, and Joyce Chervinskas, Accounts Payable.

The Board recessed for lunch at 12:00 p.m.

#### **7. Omak Office Tour:**

The Board toured the Okanogan PUD "Roger Mills Building" in Omak. Network Room A is in operation with SONET and network equipment installed and running. Network Room B is ready for anyone seeking co-location space. The Customer Service Representative area is near completion.

#### **8. Service Application Requirements:**

The Board reconvened at 2:20 p.m.

Joy Schultz reviewed changes to the customer information and deposit requirements for customers applying for electrical service. Social security numbers will now be requested for individual and business accounts, and tax identification numbers for corporations. The District will also request a driver's license number, mother's maiden name, landlord contact information, and the name of other authorized individuals on the account. The deposit requirement of \$150 will increase to \$200 if the requested information is not received. With a letter of credit, a \$50 deposit will be required if the requested information is not received. The deposit requirements for commercial accounts will increase from the two highest usage months at the current rate with requested information to three without the requested information. Spouses, room mates and account guarantors will also be required to furnish the requested customer information.

The Board approved the service application requirements.

## **9. Central Washington Public Utilities (CWPU) Interlocal Agreement Revision - Resolution No. 1231:**

Manager Warner presented Resolution No. 1231 authorizing the amendment of an Interlocal Agreement and an Agreement and Declaration of Trust relating to the Central Washington Public Utilities Administrative Agency and the Unified Insurance Program. The agreements have been modified to remove Chelan PUD as a member and restrict a member from withdrawing before the term of the Bargaining Agreement expires.

Commissioner Rowland moved to adopt Resolution No. 1231; Commissioner Johnson seconded; motion passed.

## **10. C&RD Measures:**

There has been a question regarding rebates provided to customers between April 24, 2001 and October 30, 2001. Although Resolution No. 1212 was passed on May 8, 2001 revising the Conservation Loan Program, the Conservation and Renewables Discount (C&RD) Program wasn't approved by Board motion until October 30, 2001. BPA has acknowledged Okanogan PUD's implementation of the C&RD program effective April 24, 2001. Debra Peters said that rebates for Super Good Cents manufactured homes and heat pumps have been processed and paid to ten customers during this period.

Commissioner Johnson moved to place the date of April 24, 2001 as the initiation of the C&RD program; Commissioner Rowland seconded; motion passed.

## **11. Employee Day Report:**

Manager Warner reported that the Okanogan PUD offices were closed on Martin Luther King Day to allow employees to attend an all-employee meeting. The guest speaker was a former Navy and Blue Angel pilot. The meeting day and guest presentation were well received. An employee evaluation will be compiled and shared with employees and the Board.

## **12. Fiber Report**

Rich Trimble presented an Agreement for Communication Transport Services to the Board for approval. This is the contract that will be executed by customers of the PUD's fiber optic network, two of which are expected to be signed shortly.

Commissioner Johnson moved to approve the Agreement for Communication Transport Services based on Mr. Trimble's presentation and Attorney Howe's concurrence; Commissioner Rowland seconded; motion passed. Mr. Trimble did

advise that the contract would vary because it would be offered to different parties, and exhibit A to the contract would reflect individual service to that party. Commissioner Rowland advised that was okay, but he wanted the Board to be advised when the contract was offered to another party.

Mr. Trimble said the Brewster School District is in line for a pilot project for advanced services. The District staff has quoted a monthly Ethernet rate for the project. The capital cost is low for the fiber service drop as the school is on the Pateros fiber route. The cost for the customer premise equipment is not included in the rate.

The Board approved the District providing the service.

The opening ceremony and dedication of the Okanogan PUD "Roger Mills Building" in Omak is scheduled for the afternoon of February 19, 2002.

### **13. Public Comment:**

There was no public comment.

### **14. Meetings:**

Commissioner Johnson distributed a handout on highlights from the Washington PUD Association meeting he attended in Olympia on January 17-18, 2002. He said the WPUDA board is desirous of commission input on the member dues survey. The Commissioners then completed the survey, which Commissioner Johnson will submit to the WPUDA Board.

Commissioners Bunch and Johnson will be attending an Energy Northwest meeting on February 5, 2002.

The next Okanogan PUD Board meeting is scheduled for February 19, 2002.

### **15. Executive Session - Litigation:**

The Board recessed into executive session at 3:45 p.m. to discuss litigation. The Board reconvened into regular session at 4:15 p.m.

Commissioner Rowland moved to retain Douglas Ehlke for legal counsel to represent the District with the Department of Labor and Industries citations on Roger Mills' accident; Commissioner Johnson seconded; motion passed.

There being no further business to discuss, the meeting adjourned at 4:20 p.m.