

**Minutes of the Regular Meeting of the Okanogan County  
Public Utility District Board of Commissioners  
Held in Okanogan May 28, 2002**

**Present:**

**Board:** Darrel Bunch, Donald Johnson, James Rowland  
**Staff:** Harlan Warner, Richard Trimble, Frederick Burke, Joe Miller, Debra Peters, Larry Felton, Jerry Day, Derek Miller, Larry Attridge, Mark Pritchard, Dan Boettger, Jim Hensarling, Julie Pyper  
**Other:** Michael Howe - Legal Counsel  
Bill Stevenson - The Chronicle  
**Public:** Tina DeLap, John Bartella

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. Approval of Transfer of Accounts
5. Public Comment
6. Student Scholarships
7. CIPV Power Sales Contract
8. Slice Common Interest Agreement
9. Tacoma Land Company - Twin Creeks Ranches
10. Telecommunication Report
11. Commission Meeting Schedule
12. Public Comment
13. Meetings
14. Executive Session - Litigation

**1. Approval of Minutes:**

Commissioner Johnson moved to approve the Minutes of the May 7, 2002 regular meeting; Commissioner Rowland seconded; motion passed.

**2. Approval of Work Orders:**

The following work orders were submitted for approval:

01-0200	District/Fiber, Emery St., Omak	\$735.00
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01-0434	Ken Chaplin, Swanson Mill Rd. (Rev. #1)	\$3,325.00
02-004	Dick Sears, 141 Miller Rd., Omak	\$1,027.00
02-0072	District, 5000 Circuit	\$3,115.00
02-0086	John Goroch, Hwy. 97	\$651.00
02-0088	District, Okanogan	\$932.00
02-0089	District, Okanogan Switch Station	\$817.00
02-0092	Stan Nelson, 45 Pine Cone Way	\$4,002.00
02-0097	District, 5000 Circuit	\$1,666.00
02-0098	Wal-Mart, Omak	\$3,013.00
02-0103	District, 28206 Hwy. 97	\$926.00
02-0306	District, Clarkson Mill Rd.	\$18,765.00
02-0338	Gerald Scholz, S. Pine Creek Rd.	\$2,060.00
02-0339	Gerald Cox, 151 Horse Spring Coulee Rd.	\$2,225.00
02-0340	District, Hwy. 7 N., Tonasket	\$3,060.00
02-0342	Dave Mullins, Lot 10, Sidley Lake Tracts	\$1,770.00
02-0345	Verizon, Havillah Rd. at Dirt Rd.	\$1,510.00
02-0346	Dale G. Brown, Hwy. 7 S. of Tonasket	\$3,650.00
02-0347	Loreen Felstet, 40 Rooster Ridge off Antwyne Lane	\$2,600.00
02-0348	Mike Johnson, 33 Sondra Way E.	\$9,650.00
02-0349	John Oakes, Pine Creek Rd. at Turtle Lake Rd.	\$3,750.00
02-0350	District, Oroville Office	\$1,800.00
02-0627	7th Day Adventist/Dist, 19 Hospital Way, Brewster	\$1,405.00
02-0628	Robert Newell, 171 Gold Creek Rd., Carlton	\$7,697.00
02-0629	District/Alta Lake Golf Course, Pateros	\$829.00
02-0631	Mike Port/Home Town Pizza, 202 Methow Vly Hwy N, Twisp	\$883.00
02-0632	WA State Dept. of Trans., Methow River Bridge, Twisp	\$2,993.00
02-0633	District, Brewster substation	\$1,025.00
02-0634	District, North Star/King Rock Rds.	\$2,252.00
02-0635	District, 1610 Hwy. 153	\$583.00
02-0636	Bart Northcott, Twisp-Carlton Rd.	\$3,538.00
02-0637	John & Marlice Thurtle, Benson Creek Rd.	\$893.00
02-0638	District, Hwy. 97, Pateros	\$3,741.00
02-0640	District, 616 Bridge St. S., Brewster	\$578.00
02-0641	District, Hwy. 97 & Bridge St. N., Brewster	\$510.00
02-0642	District, Foster Creek	\$2,041.00
02-0644	District, 7th St., Brewster	\$1,918.00
	Total	\$101,935.00

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

### 3. Approval of Vouchers:

Vouchers No.'s 71555 through 71657 in the amount of \$75,835.75, No.'s 71658 through 71687 in the amount of \$167,571.75, No.'s 71688 through 71764 in the amount of \$441,845.52, and No.'s 71765 through 71800 in the amount of \$1,512,793.71 were approved for payment from the revenue fund.

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

#### 4. Transfer of Accounts:

The following accounts were submitted for transfer:

Braseth, Clinton	\$175.73
Brereton, Lawrence P.	\$328.31
Bresnahan, Debbie A.	\$21.55
Bresnahan, Debbie A.	\$154.64
Brooks, Juliane I.	\$105.70
Carroll, Christina M.	\$64.70
Chavez, Jose	\$2.70
Chimino, Angelia	\$160.71
Clark, Kevin	\$41.05
Curdie, Dan	\$126.88
Curdie, Dan	\$145.80
Davis, Frances	\$98.17
Foster, Forest D.	\$48.69
Fox, Jerry E.	\$128.64
Frank, Judy	\$127.94
Innes, Linda	\$75.75
Gasper, Kathleen	\$304.19
Gauthier, Daniel	\$47.11
Grillo, Barbara	\$53.65
Hunsaker, Justin	\$344.11
Johnson, Julie	\$490.62
Kelley, Krysta	\$145.89
Lightley, James (Estate)	\$503.41
Lopez, Gilberto	\$60.51
Lorenzen, Ray	\$352.62
Martinez, Maria Antonia	\$141.27
Moore, Ray	\$209.15
Mouw, Rick	\$161.68
O'Denius, Cindy	\$49.44
Paredes, Gloria	\$275.48
Paul, Sheena D.	\$491.31
Rodriguez, Lupe	\$197.72
Sanders, Nancy & John	\$269.08
Shaver, Grace (Estate)	\$184.07
Smith, Grant Wayne	\$134.71
Stanger, Kim	\$37.14
Stone, Jennifer	\$469.50
Vazquez, Teresa	\$200.72
Wiley, Wendy (Invoice #3101 - Car Pole Accident)	\$2,299.71
Total	\$9,230.05

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

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

Manager Warner introduced the employees invited to attend the Commission meeting: Larry Attridge, Okanogan Lineman/Service man; and Mark Pritchard, Construction Supervisor.

#### **6. Student Scholarships:**

Debra Peters announced that the PUD's "Adventures in Science" student scholarship recipients are Karl Kristensen of Tonasket; Colby Howe of Pateros; and Kristin White of Okanogan. The students will attend a program at Western Washington University on Engineering Design, or Explorations in Physics and Astronomy. The scholarship applications were made available to any student currently in the 7th or 8th grade, living in a household that receives electricity from the PUD. The staff distributed 22 application packets, and received six replies. The applicants were graded by a point system on following directions, content of a written essay, and recommendation from a teacher, counselor or principal. A press release will be distributed, and the students will make a presentation to the Board following the camp.

#### **7. CIPV Power Sales Contract:**

A proposed Power Sales Agreement between the District and the Colville Tribal Enterprise Corporation was presented. The Agreement would allow energy from Colville Indian Power & Veneer (CIPV) (formerly Washington Veneer) to be credited against the Colville Precision Pine and Colville Bingo Enterprise accounts at the District's retail industrial rate. Electrical generation by CIPV that is surplus to these loads will be purchased by the District at the lesser price of the average monthly wholesale energy value or the Dow Jones Mid-Columbia non-firm index average for the monthly billing period. The Agreement includes a one-month termination provision by either party. In addition, the District reserves the right to cancel the Agreement within 30 days of CIPV exceeding the capacity limit (9 MW) of the District's present facilities serving CIPV.

Commissioner Johnson moved to accept the Power Sales Agreement and authorize the Manager to sign the Agreement; Commissioner Rowland seconded; motion passed.

#### **8. Slice Common Interest Agreement:**

Larry Felton presented a draft Common Interest Agreement between the Slice customers. The Agreement would provide for the Slice customers as a group to

engage in discussions concerning their common interests, specifically contractual changes, while preserving confidentiality to the extent possible.

Board action will be considered at the June 11, 2002 meeting after review of the Agreement is complete.

Mr. Felton noted that in terms of water, the District picked a good year to become a Slice customer with sales of \$425,000 in April.

#### **9. Tacoma Land Company - Twin Creeks Ranches:**

Manager Warner reported that Lynn Barnett of Tacoma Land Company has requested electrical service to his Twin Creeks Ranches development in the Crawfish Lake area, which is served off the District's Tunk Valley line. The work order requires a payment of \$14,040 for the backbone system to 16 lots and a capacity charge of \$41,203. Mr. Barnett has proposed to pay the capacity charge over a period of five years, with one-fifth of the outstanding balance due every 12 months. During this period, if an individual requests power, an amount of \$2,575 would be paid at the time of the request and subtracted from the outstanding balance. Tacoma Land Company would provide a letter of credit to secure the amount due. The District reached a similar agreement with Mr. Barnett on his Nine-Mile Ranch development near Oroville.

Commissioner Rowland moved to enter into an agreement with Lynn Barnett of Tacoma Land Company as presented, with the first payment due immediately upon signing the contract. This agreement is subject to a secured bank line of credit, and the completion of commitments to the District for the Nine-Mile development. Commissioner Johnson seconded; motion passed.

Commissioner Rowland requested that the Manager contact the Clerk of the Okanogan County Commission and request another meeting with the County Commissioners, and that the PUD ask to be included in the County's short plat process.

#### **10. Telecommunication Report:**

Rich Trimble reported that the extension of the District's fiber-optic system to Twisp to serve NCTeleserve's proposed call center has been on hold because NCTeleserve needs a client commitment before receiving financial backing for a contract with CenturyTel. The District's \$800,000 CERB grant and low-interest loan to assist with the extension requires that the project commences prior to July 5, 2002. NCTeleserve is concerned that deadline might be exceeded and has raised the possibility of seeking an extension.

Dan Boettger distributed a report on the Loup Loup fiber permitting status, which showed that much of the permitting is completed. The DNR, however,

has suggested a road abandonment plan is needed. Also, because the project construction has not started as planned, many of the agencies will need to be re-contacted regarding wildlife issues. Derek Miller noted that the District would need to go through the fiber bidding process again as the current bid has expired, but that fiber prices have gone down slightly.

The Board approved proceeding with the project and obtaining an extension if one is required, while noting that the project will not go forward without NCTeleserve securing a customer.

Rich Trimble reported that the District had offered in the summer of 2000 a formula for the acquisition of dark fiber, and is now negotiating with a party for the lease of 36 optical fibers. The previous offer was subject to the availability of excess fiber, and the District may be unlikely now to consider more than 36 to be surplus to its needs. The proposed customer has requested that the District allow amortization of their payment over 20 years at 7% interest.

Joe Miller distributed a layout of the SONET fiber allocation plan from Omak south.

Following discussion, the Board approved staff continuing negotiations provided there is no risk to the District's investment.

#### **11. Commission Meeting Schedule:**

The Board set the following meeting schedule:

June 11, 25  
July 9, 23  
August 13, 27

#### **12. Public Comment:**

There was no public comment.

#### **13. Meetings:**

Commissioner Johnson reported on proceedings of interest at the NWPPA 62nd Annual Conference he attended in Juneau, Alaska on May 20-24, 2002. Commissioner Johnson was elected at the conference to the Participant's Review Board of Energy Northwest.

14. Executive Session - Litigation:

The Board recessed into executive session at 11:48 a.m. to discuss litigation.

The Board reconvened into open session at 12:15 p.m. There being no further business to discuss, the meeting adjourned at 12:15 p.m.

Darrel E. Bunch, President

Donald W. Johnson, Vice-President

James G. Rowland, Secretary