

**Minutes of the Regular Meeting of the Okanogan County  
Public Utility District Board of Commissioners  
Held in Okanogan May 27, 2003**

Present:

Board:	Donald Johnson, David Womack, Darrel Bunch
Staff:	Harlan Warner, Don Coppock, Debra Peters, Steve Brown, Joe Miller, Julie Pyper (8:30 a.m. - 8:55 a.m.)
Other:	Michael Howe, Legal Counsel
Public:	Dave & Esther Johnson, Darlene Yockey, Judy Bunch, John Andrist, Maeyowa, Susie Ives, Carol Alexander, K.C. Mehaffey

President Johnson 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. Tetra Tech FW Proposal
7. 2001 Audit Report
8. Managers Section Report
9. Public Comment
10. Meetings

**1. Approval of Minutes:**

Commissioner Bunch moved to approve the Minutes of the May 13, 2003 regular meeting; Commissioner Womack seconded. Commissioner Johnson presented the following additions to the Minutes:

**6. Conservation and C&RD Status Report.**

*BPA credits the PUD \$18,464/month (\$221,568/year) for approved conservation activities.*

*To date the District has received \$309,000 more in credits than out-of-pocket expenditures. As examples the District spent \$25,000 for a lighting retrofit project that received \$131,176 in credit; \$500 per heat-pump rebate that received up to \$4,761 in credit per installation (credit amount received is dependant on the type of home the heat-pump was installed into and the type of heating system replaced); \$750 per SGC manufactured home rebate (\$1,553 credit) and \$50,000 for a matching grant contribution to OCCAC that received a \$50,000 credit.*

Commissioner Womack moved to approve the Minutes as amended; Commissioner Bunch seconded; the motion passed as amended.

**2. Approval of Work Orders:**

The following work orders were submitted for approval:

02-0178	Kenneth Edwards, 287-H Omak-Riverside Eastside Rd. (Rev. #1)	\$1,992.00
02-0189	Kelli Palmanteer, Omak-Eastside Rd.	\$3,525.00
02-0372	Cathy Crabtree, Rooster Ridge (Rev. #1)	\$3,725.00
03-0139	Ben Jeffris, 775 Ives St. W. Pateros (Rev. #1)	\$2,892.00
03-0190	District, 20090 Hwy. 20, Twisp	\$522.00
03-0193	Nick Watts, Havillah Hwy.	\$4,850.00
03-0198	Jack Hein, Pharr Rd.	\$6,211.00
03-0207	Jack Bain, Cherokee Rd.	\$5,505.00
03-0208	Jack Bain, Grim Rd.	\$1,678.00
03-0209	Jon Shoemaker, Horse Spring Coulee	\$4,100.00
03-0211	Ava Fenner, Old Hwy. 97, Malott	\$1,731.00
03-0214	Pateros Partners LLC, Lakeshore Dr., Pateros	\$549.00
03-0215	Cole Denison, 739A Havillah Rd.	\$2,550.00
03-0216	Phil Unger, Big Time Dr.	\$1,525.00
03-0224	Jeff Cavanaugh, Lot 26, Div. 7, Nine Mile Ranch	\$4,684.00
03-0225	Danny Smith, White Rock Rd.	\$4,156.00
03-0226	Harry Dortsen, 50 Cherokee Rd., Omak	\$1,756.00
03-0227	One Way Construction/District, Methow Valley Hwy. E., Twisp	\$2,305.00
03-0228	District/Keystone Ranch, Keystone Rd., Riverside	\$6,691.00
03-0229	District, Salmon Creek Rd.	\$1,028.00
03-0230	Ronald Martinson, 1888 Hwy. 153, Carlton	\$4,669.00
03-0231	District, Vintin Rd., Carlton	\$1,254.00
03-0236	Gebbers Farms, Inc., Verestar Dr., Brewster	\$2,838.00
03-0237	District, Spear Ranch, Loomis	\$3,750.00
03-0238	District, Spectacle Lake	\$2,350.00
03-0242	District, 306 Twisp River Rd.	\$1,182.00
03-0243	Colville Indian Power & Veneer, Omak	\$4,188.00
03-0245	Ron Fruntz, Old Railroad Rd.	\$2,600.00
03-0246	Lenny Judd, Spring Coulee Rd.	\$978.00
03-0249	Randy Rose, 8 Epley Rd., Omak	\$5,313.00
03-0250	City of Tonasket, Whitcomb Ave. & 6 <sup>th</sup> St.	\$4,950.00

03-0251	Candy Kelly, Hwy. 153, MP 15.5	\$10,507.00
03-0252	Glenn Hammons, White Rock Rd.	\$3,880.00
	Total.	\$110,434.00

Commissioner Bunch moved to approve the work orders; Commissioner Womack seconded; motion passed.

**3. Approval of Vouchers:**

Vouchers No.'s 77099 through 77129 in the amount of \$197,712.33, No.'s 77130 through 77225 in the amount of \$257,964.18, and No.'s 77226 through 77270 in the amount of \$2,388,723.87 were approved for payment from the revenue fund.

Commissioner Womack moved to approve the vouchers; Commissioner Bunch seconded; motion passed.

**4. Transfer of Accounts:**

No accounts were submitted for transfer or collection.

**5. Public Comment:**

Commissioner Bunch suggested limiting public comment to five minutes per customer. Commissioner Johnson disagreed because public comment is the only opportunity for customers to voice their opinions. Commissioner Womack supported a five-minute limitation. In response to a question from the Commission, Attorney Howe commented that the Open Meeting Act does not require public comment --- if one is provided or time limits are a matter of Board policy. Dave Johnson of the audience said he favored the five-minute limitation, and Carol Alexander felt additional time was necessary.

John Andrist updated the Commissioners on the activity of NCI and the positive influence the telecom division is having on his business. He thanked the utility for its foresight, and encouraged continued efforts.

Comments and questions regarding Tetra Tech FW's EIS proposal for the Twisp/Pateros transmission line and substation project were submitted by Maeyowa and on behalf of Kathleen Hirschstein.

Carol Alexander expressed concern regarding contracting with Tetra Tech.

Commissioner Johnson read a letter from Tom Cloud regarding the District's diesel generators and the need for electric generation infrastructure in Iraq (Manager Warner agreed to follow up); read comments from Sam Glass regarding the Renewable Energy Survey (He suggested the Commissioners had a role to "educate the public" and that the survey may have been biased); read a letter from Gary Cox of Potelco, Inc. regarding L & I finding no problem with Potelco's work procedures that would conflict with State

laws; read a letter from Doug Wilcox regarding the Methow transmission line (He felt questions on system analysis, need, cost-effectiveness, and environmental impact should be answered before commitments were made); passed out a letter from Ed and Vicki Welch regarding the Tetra Tech proposal (They stated that before an EIS was initiated 1) the whole transmission system should be reviewed identifying which lines are in most need of an upgrade, 2) costs of various alternatives need to be identified, 3) all probable EIS costs should be addressed, 4) conservation and highway route alternatives should be reviewed, 5) a change in distribution lines, such as the REA found most economical, should be an alternative, and 6) the Foster-Wheeler proposal should include the generation of new data from original research [surveys]; read a letter from an unknown author regarding concerns with Tetra Tech; and read his comments and questions on the transmission line EIS and alternative line costs. Commissioner Johnson expressed concerns for large cost overruns and the exclusion of alternative cost comparisons. In addition, he expressed the need for the staff to address the systems analysis and his earlier conclusions before proceeding with an EIS.

#### **6. Tetra Tech FW Proposal:**

Discussion centered on the cost of the EIS as proposed by Tetra Tech FW. The Contract that was presented at the last Board meeting detailed the costs of the project that are known components to fulfill the mandatory requirements of an EIS. Other necessary areas of study would be revealed as a part of the EIS process. Public comment, the concerns of regulatory agencies and the selection of alternative routes all influence the final requirements of a comprehensive EIS. Some of the requirements are not yet known and would not be known until the study is initiated. The Board is understandably concerned with the potential for cost overruns and requested that Tetra Tech FW provide with as much detail as possible the estimated costs for any additional work that might be required.

Other questions brought up by Commissioner Johnson included 1) the subcontracting of consultants living in Okanogan County, if available, should be requested; 2) the existence of a road plan for the Pateros-Twisp route (necessary for surveys); 3) the need to extend field work to spring 2004; and 4) the credibility of Foster-Wheeler based on conclusions, contradictions and omissions from their 2001 report.

The Board deleted the parallel Loup Loup option as an alternative and added a valley floor alternative in its place. The Loup Loup hot rebuild alternate would have two options; one to include rebuilding the distribution system between Pateros and Twisp and a second to include a transmission line from Pateros to a new substation site in the Gold Creek area. Tetra Tech FW was requested to update the cost estimate and EIS proposal for review and/or action at the next meeting.

#### **7. 2001 Audit Report:**

The 2001 Audit Report was briefly discussed. The report was made public and reflected that in most areas the District complied with State laws and regulations and its own

policies and procedures. However, the State Auditor identified a condition with the Buy-Back Program that was significant enough to report as a finding. The District has not had an opportunity to discuss the report with the Auditor's Office, but will do so and report the results at a later meeting.

**8. Managers Section Report:**

Discussion regarding the Managers Section report was postponed until the next meeting.

The Manager noted that the County Commissioners have requested a meeting with the District's Commissioners regarding the Nighthawk Trail and other issues. The Manager was instructed to invite the County Commissioners to the June 24<sup>th</sup> PUD meeting.

**9. Public Comment:**

There was no additional public comment.

**10. Meetings:**

Commissioner Johnson attended the Washington State REACH Conference (A Partnership for Low-Income Energy Assistance) hosted by Chelan County PUD in Wenatchee on May 14<sup>th</sup>; the Washington PUD Association Board Meeting on May 16<sup>th</sup> in Coeur d'Alene; and the Northwest Public Power Association Annual Conference and Membership Meeting and the Energy Northwest Participants Review Board Meeting in Coeur d'Alene May 20<sup>th</sup> – 22<sup>nd</sup>.

Commissioner Johnson reported that at the NWPPA Annual Meeting Steve Wright, BPA Administrator, reported that the SN CRAC has been reduced from 15% to 10% due to settlement of the Enron Contract and improved market sales. A favorable conclusion of the IOU settlement talks now underway could bring the total increase in BPA rates to near zero for 2004. He also reported the Participants Review Board (PRB) met and unanimously agreed they would not support any additional deferrals of Energy Northwest bond payments. Commissioner Bunch also agreed with that decision.

Commissioner Johnson also reported the Washington PUD Association Board passed a motion which supported a recommendation from the Managers Section that the Federal Base System be allocated between BPA preference customers and IOUs, and that each individual utility would have the option of purchasing their deficit and load growth from BPA or others. Manager Warner agreed with the action, but advised allocation discussions are very controversial between customers and it will take some time to reach a consensus.

The next Okanogan PUD Board meeting is scheduled for 8:30 a.m., June 10, 2003 at the Okanogan PUD Auditorium.

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

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Donald W. Johnson, President

ATTEST:

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David A. Womack, Vice-President

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Darrel E. Bunch, Secretary