

**Minutes of the Regular Meeting of the Okanogan County
Public Utility District Board of Commissioners
Held in Okanogan December 16, 2003**

Present:

Board:	David Womack, Darrel Bunch, Donald Johnson
Staff:	Harlan Warner, Chuck Berrie, Don Coppock, Derek Miller, Larry Felton, Joe Miller, Dan Boettger, Frederick Burke, Kathy Gordon, Jerry Day, Steve Brown, Julie Pyper
Other:	Michael Howe, Legal Counsel
Public:	Rebecca Meadows, Esther Johnson, Dave Johnson, Ernest Bolz, Brian Kirchner, Roberta Donnor, Susie Ives, Arkie Andrew, Ann McCreary, Vicky Welch, Maeyowa, Roy Webster, Kathleen Hirschstein, Bill Swayze, Jason Dudgeon

President Womack called the meeting to order at 8:30 a.m., and asked for any additional agenda items. Manager Warner submitted the award of two bids. Commissioner Johnson noted that Arkie Andrew might be an added agenda item as he had expressed a desire to talk to the Board.

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. Resolution No. 1269
7. BPA Settlement
8. Telecom Report
9. Bid No. 309-03
10. Bid No. 310-03
11. Report on PUD Association Annual Meeting
12. Commission Meeting Schedule
13. Public Comment
14. Meetings
15. Executive Session – Litigation

1. Approval of Minutes:

Commissioner Bunch moved, and Commissioner Johnson seconded, to approve the Minutes of the December 2, 2003 regular meeting.

Commissioner Johnson presented an amendment to *Item 8 – Resolution No. 1269* that clarifies the case law cited in proposed Resolution No. 1269 has nothing to do with the

use of letterhead. Attorney Howe responded that the case law cited is relevant to the discussion as it refers to the proposition that a motion or resolution of a public utility district need not be in any particular form -- and something on official letterhead could be construed as such a motion or resolution. Commissioner Johnson agreed to postpone further discussion of proposed Resolution No. 1269 until it was addressed later on the agenda.

Commissioner Johnson moved to add the following sentence to the December 2, 2003 Minutes: *The case law cited has nothing to do with the use of letterhead.* The motion failed for lack of a second.

Upon the vote of the Minutes as presented, Commissioner Johnson voted nay. The motion carried.

2. Approval of Work Orders:

The following work orders were submitted for approval:

00-0688	Jamie Ebbert, 115 Twisp Airport Rd. (Rev. #2)	\$4,512.00
03-0002	Okanogan Co. Public Works, Wannacut Lk Rd @ Williams Pit Site	988.00
03-0002&3	John Range, Hwy. 97 S. of Oroville	1,220.00
03-0003	District, Sackman Trailer Park, & Smith & Nelson	1,000.00
03-0465	Phil Philips, Tarbert Loop Rd.	3,043.00
03-0478	Ron Motes, A Ave., Conconully	6,477.00
03-0495	District, Indian Dan Canyon Rd., Brewster	16,553.00
03-0524	Ray "Marty" Shaw, Amanda Lane, Sidley Lake	5,600.00
03-0541	District, Crawfish Lake Line	1,155.00
03-0545	Jackie Bradley, 240 Crestview Dr., Okanogan	600.00
03-0552	Philip Spivey, 400 Twisp-Carlton Rd.	4,509.00
03-0554	District/Don's Trailer Court, Mock Rd.	5,935.00
03-0562	District, 29 Valley Rd., Brewster	1,476.00
03-0563	District, 42 Max Goehry Rd., Brewster	754.00
03-0565	Dick Manning, 110 Crestview Dr., Okanogan	549.00
03-0566	Richard Lagerwey, 123 Twisp-Airport Rd.	1,507.00
03-0567	John Sampson & Tina Derenzo, 2363 Hwy. 153, Carlton	1,330.00
03-0568	Linda Gonzales, Fiker Rd., Omak	2,495.00
03-0571	Dan Trudeau, Riverview Heights, Brewster	3,324.00
03-0573	Ponderosa Motor Lodge, 1034 2 nd Ave. S., Okanogan	679.00
03-0575	Larry Haynie, 556 Hwy. 20	2,510.00
03-0577	Mike Lavezzo, 186 Pharr Rd.	1,912.00
03-0582	District, Johnson Creek Rd.	508.00
03-0585	Alfred Bosco, 550 Riverside Dr.	633.00
	Total	\$69,269.00

Commissioner Bunch moved, and Commissioner Johnson seconded, to approve the work orders. The motion carried.

3. Approval of Vouchers:

Vouchers No.'s 79765 through 79958 in the amount of \$353,500.75, No.'s 79959 through 79984 in the amount of \$176,483.26, and No.'s 79985 through 80082 in the amount of \$726,296.40 were approved for payment from the revenue fund.

Commissioner Bunch moved, and Commissioner Johnson seconded, to approve the vouchers. The motion carried.

4. Transfer of Accounts:

There were no accounts/invoices submitted for write-off/collection.

5. Public Comment:

Kathleen Hirschstein submitted for the public record comments on the history of the Wireless Telecom "Pilot Project", and noted that many questions remain to be answered before investing additional funds.

As a retail provider for the Wireless Pilot Project, Bill Swayze, Operational Manager of Community Net, noted his company's satisfaction and encouragement for the District to move forward with Wireless Telecom.

In regards to a recent complaint communicated to the Commissioners, Arkie Andrew asked about the process for obtaining public records of the PUD. (He was advised that the utility provides documents under the Public Records Information Act, but does not compile statistics to answer inquiries.)

Vicky Welch conveyed her concerns with the Wireless Pilot Project, Methow transmission scoping document, and the proposed Resolution No. 1269 adopting rules and protocol for District Commissioners.

Maeyowa asked how the PUD was planning to deal with the scoping comments, i.e. if they would be published and made available to State agencies, etc. (She was advised that the comments will be reviewed by the District and the Forest Service.)

Brian Kirchner asked how Resolution No. 1269 keeps the public from making public comments. (Proposed Resolution No. 1269 would adopt rules and protocol for District Commissioners.)

Esther Johnson noted that the one agreement as a result of the Methow power supply mediation was that a circular line would be most reliable.

6. Resolution No. 1269:

Attorney Howe reviewed proposed Resolution No. 1269, which was revised following last meeting's discussion to adopt the following rules and protocol for District Commissioners: 1) No recorded statement(s) of the Commission shall be authorized, except with an affirmative vote of a majority of the Commission adopted at a regular or special meeting of the Commission held according to law; 2) Written statements of individual Commissioners must be clearly identified as being a written statement of the individual Commissioner and not a statement or a position of the Commission or of the Public Utility District, 3) Written statements of an individual Commissioner shall not be on official letterhead of the District or recorded in the Minute Books or with the official Minutes of Board of Commissioner meetings; and 4) Noncompliance with these requirements shall be deemed to constitute a lack of good faith for purposes of the application of RCW 54.16.097 and any District resolution adopted thereto.

Commissioner Bunch moved, and Commissioner Womack seconded, to adopt Resolution No. 1269 as presented.

Commissioner Johnson moved to amend Resolution No. 1269 to provide that any Commissioner who may disagree with the form or content of the Minutes that have been adopted by the majority of the Commissioner shall have the right to append to such Minutes a Minority report to be signed by the dissenting Commissioner and filed with the official Minutes prior to the adoption of the official Minutes. The motion failed for lack of a second.

Upon the vote of Resolution No. 1269 as presented, Commissioner Johnson voted nay. The motion carried.

7. BPA Settlement:

Following last meeting's discussion, Attorney Howe was requested to draft a Resolution expressing to BPA Administrator Wright the District's position on BPA's proposed Settlement Agreement. The proposed Resolution states the District's favor of a fair, long-term settlement between public utilities, investor-owned utilities, and the BPA. Okanogan PUD desires to avoid litigation; however, regrets that the proposed settlement, which has been rejected, only provided short-term relief while calling for a long-term deferral of public utility rights. The proposed Resolution supports a long-term settlement of the differences between the parties without relinquishing any of the rights provided to public utilities by existing laws, which settlement agreement must include restoration of public preferences and priorities provided by existing law, with attendant regional rate benefits. The Resolution further states the District's support and endorsement of a response to BPA Administrator Wright's guest editorial published in the *Seattle PI*, which response was written and signed by 14 Washington PUD Commissioners.

After review and discussion, it was agreed to readdress the matter at the January 6th meeting, as information and positions are still developing, and the cut-off date for settlement is not until January 21, 2004. In the interim, staff will draft a letter outlining concerns with the settlement, which will be reviewed at the next meeting.

8. Telecom Report:

Telecom Manager Joe Miller noted that December 14, 2003 marked the second anniversary of the District's SONET backbone operation. During that time, the system maintained a 99.998% reliability factor.

NoaNet recently entered into an agreement with Verestar to provide fiber-optic services utilizing the District's network into Verestar. Revenue to the District for that circuit will be \$3,823/month. Staff is developing a new SONET rate schedule in order to offer rates for various configurations of SONET service.

The District will be providing fiber network connectivity to the following locations for the DIS Second Tier Advanced Transport Services contract: Oroville, Tonasket, Omak, Okanogan, Brewster (already being served) and Pateros School Districts, and the Okanogan County Prosecuting Attorney (2 circuits) and Juvenile facility. Qwest has contracted with the PUD and NoaNet for infrastructure to support that contract beginning the second quarter of 2004. Revenue to the District will be approximately \$300/month per location.

An RFQ for consulting services on the network was recently issued based on the 2004 budget of \$20,000. Contracts have been offered to Resource Computing for network security consulting, D-Dubya Consulting for SONET consulting, and Black Hole Networks for Ethernet consulting.

Commissioner Bunch moved, and Commissioner Johnson seconded, to authorize the Manager to sign the necessary contracts for consulting purposes (Resource Computing for network security consulting, D-Dubya Consulting for SONET consulting, and Black Hole Networks for Ethernet consulting) within the approved 2004 budget. The motion carried.

The Oroville portion of the Wireless Pilot Project is operational, with customers expected to be connected beginning December 17, 2003.

Following the last Commission meeting, the first billing statements for the Wireless Pilot Project were sent out to the retail providers of the 88 wireless customers accessing the District's fiber-optic system through the Shellrock Point node. Close to 100 people are successfully using the system. A detailed report and deployment plan for the Wireless Pilot Project will be delivered at the January 6, 2004 meeting.

9. Bid No. 309-03:

Manager Warner reported that three bids were received on Bid No. 309-03 for the surplus sale of wrecked vehicle No. 172, a 1994 Chevrolet S-10 pickup. The staff recommended awarding the bid to the highest bidder, 97 Auto, Inc., d/b/a Shull's Towing and Parts, of Brewster, for \$527.00.

Commissioner Johnson moved, and Commissioner Bunch seconded, to award Bid No. 309-03 in the amount of \$527.00 to 97 Auto, Inc., d/b/a Shull's Towing and Parts. The motion carried.

10. Bid No. 310-03:

Manager Warner reported that two bids were received on Bid No. 310-03 for rebuilding the truck garage in the Oroville pole yard that was destroyed in a recent windstorm. The staff recommended awarding the bid to the lowest bidder, Henson Construction, of Oroville, for \$37,369.00, which cost is expected to be covered by insurance.

Commissioner Johnson moved, and Commissioner Bunch seconded, to award Bid No. 310-03 in the amount of \$37,369.00 to Henson Construction. The motion carried.

11. Report on PUD Association Annual Meeting:

Staff reported on the proceedings of the Washington PUD Association Annual Meeting recently held in Spokane, including the BPA/IOU settlement discussion. Nancy Barnes of Clark PUD was elected PUD Association President for 2004.

12. Commission Meeting Schedule:

The next Okanogan PUD Board meeting is 8:30 a.m., January 6, 2004 at the Okanogan PUD Auditorium.

The following meeting schedule was set: January 20, February 10 and 24, and March 9 and 23.

13. Public Comment:

Brian Kirchner noted his concern that a personal matter becomes a public record when a Commissioner responds using PUD official letterhead.

14. Meetings:

Commissioner Womack, Commissioner Bunch, Manager Warner and Assistant Manager Berrie attended the Washington PUD Association Annual Meeting in Spokane on December 3 – 4.

Commissioners Womack, Bunch and Johnson and several staff members attended a hearing regarding the Cummins lawsuit in Kent on December 5.

15. Executive Session – Litigation:

President Womack recessed the Board into executive session at 12:12 p.m. to discuss litigation.

President Womack reconvened the Board into regular session at 12:50 p.m.

There being no further business to discuss, the meeting adjourned at 12:50 p.m.

David A. Womack, President

ATTEST:

Darrel E. Bunch, Vice-President

Donald W. Johnson, Secretary