

**Minutes of the Regular Meeting of the Okanogan County
Public Utility District Board of Commissioners
Held in Okanogan February 24, 2004**

Present:

Board:	David Womack, Darrel Bunch, Donald Johnson
Staff:	Harlan Warner, Chuck Berrie, Don Coppock, Derek Miller, Kathy Gordon, Larry Felton, Don Clutter, Debra Peters, Dan Boettger, Steve Brown, Julie Pyper
Other:	Michael Howe - Legal Counsel
Public:	Richard Trimble - Energy Northwest Matt Dadswell & Penny Eckert - Tetra Tech Keith Rowland & Jennifer Zbyszewski - Forest Service Rebecca Meadows, Brian Kirchner, Roberta Donnor, Jean Vernon, Ann McCreary, Vicky Welch, Maeyowa, Sam Hanan, Walt Pearce, Kathleen Hirschstein

President Womack called the meeting to order at 8:30 a.m., and asked if there were any additional agenda items. Manager Warner suggested that the Methow Transmission EIS discussion follow the shorter presentation by Rich Trimble of Energy Northwest.

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. Energy Northwest
7. Methow Transmission EIS
8. Tribal Tax Policy - Resolution No. 1273
9. Review Irrigation Rate Schedule No. 6
10. Commission Meeting Schedule
11. Public Comment
12. Meetings

1. Approval of Minutes:

Commissioner Bunch moved, and Commissioner Johnson seconded, to approve the Minutes of the February 10, 2004 regular meeting.

Commissioner Johnson moved to amend Item 11 (Bid No. 311-04 - Wireless Radios) to state that he abstained from voting because he said he is already on record as opposing spending money for expanding the Wireless Project. Commissioner Bunch seconded the motion. The motion carried.

The motion to approve the Minutes of the February 10, 2004 regular meeting as amended was unanimously carried.

2. Approval of Work Orders:

There were no work orders submitted for approval.

3. Approval of Vouchers:

Vouchers No.'s 80775 through 80846 in the amount of \$1,238,398.95, No.'s 80847 through 80848 in the amount of \$122,705.20, No.'s 80849 through 80875 in the amount of \$175,558.97, No.'s 80876 through 80957 in the amount of \$1,143,763.71, and No. 80958 in the amount of \$7,006.00 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:

The following accounts/invoices were submitted for write-off/collection due to nonpayment:

Anderson, Debra	Renter	\$71.97
Baker, Shon J.	Renter	17.59
Davis, Robert	Renter	141.34
Duncan, Steve	Renter	120.31
Hall, Vickie A.	Renter	33.27
Harn, Daniel E.	Renter	84.09
Hazelrigg, Cynthia A.	Renter	19.36
Lange, Diane	Renter	23.93
Lange, Diane	Renter	14.25
Laukka, Annie	Renter	92.15
Lavin, David James	Renter	134.33
Mafnas, Emily & Rick	Renter	120.09
Maynard, James & Samantha	Renter	85.38
McCoy, Danny L. & Nancy C.	Renter	99.21

McGhee, Charlene	Renter	97.21
Nicholson, Lester	Renter	25.68
North Country Pub	Owner	1,324.48
Pruitt-Kirkland, Teri L.	Renter	355.12
Rodriguez, Jose Rivas	Renter	11.59
Shawl, Kareen	Renter	57.97
Sosa, Bertoldino & Sandra	Renter	242.55
Twitchell, Marian L. (Estate)	Renter	44.15
Vanderschelden, Steve G.	Renter	4.89
Watkins, Kenneth E.	Renter	119.34
Wayland, Lisa	Renter	125.04
Total		\$3,465.29

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

5. Public Comment:

Maeyowa supports a staffing presence at the Twisp PUD office and a rotating evening Commission meeting schedule. She felt that any change in the Methow EIS Purpose and Need statement would reflect an inaccuracy of the Scoping document.

Kathleen Hirschstein supports the need for the Twisp PUD office and the rotation of monthly Commission meetings. Her questions regarding the Methow EIS will be addressed later on the agenda.

Vicky Welch supports continuing with the current Twisp PUD office. She discussed the need for an independent engineering study to determine alternatives for the EIS that can serve the entire county.

6. Energy Northwest:

Rich Trimble of Energy Northwest attended the meeting as part of Energy Northwest's focus to better understand its members and the issues of importance at each District.

Mr. Trimble reported that Phase II of the Nine Canyon Wind Project is completed, and Energy Northwest has transferred to Cowlitz PUD 2 MW of the 4 MW that Energy Northwest purchased from the Phase I output. Energy Northwest is currently negotiating a wind project with a private developer, which would avoid the risk of the federal Renewable Energy Production Incentive funding.

Energy Northwest continues to work on a biomass pilot project to harvest methane from the lagoon of dairy waste. Energy Northwest is also looking into the possible cost savings of joint purchasing, technology and substation services. Commissioner Johnson requested that Energy Northwest look into how they might get involved in the energy bill mandating renewable energy acquisition.

Manager Warner expressed his appreciation to Energy Northwest for providing pictures of the Nine Canyon Wind Farm for each District office.

7. Methow Transmission EIS:

The District's Methow Transmission EIS consultants, Penny Eckert and Matt Dadswell of Tetra Tech, provided information for the Commission's consideration in determining the Purpose and Need for the transmission line, followed by an alternatives analysis to objectively compare each alternative against purpose and need, and carry forward into full analysis the alternatives that meet the purpose and need at no greater environmental impact. Also in attendance were representatives of the co-lead agency, U.S. Forest Service's Keith Rowland and Jennifer Zbyszewski. PUD Chief Engineer Derek Miller described the capacity, reliability and line loss problems of the transmission and distribution systems serving the Methow Valley.

The Forest Service representatives, in relying on the expertise of the PUD and the independent studies performed, stated that the Purpose and Need as presented meets the Purpose and Need for NEPA. Following discussion, Commissioner Womack moved, and Commissioner Bunch seconded, to accept the Purpose and Need for the Methow Transmission Project Environmental Impact Statement as submitted February 24, 2004. Commissioner Johnson agreed there was a need, but he felt the Purpose and Need statement should be critiqued by an outside electrical engineering firm and that it would be appropriate for the public to have an opportunity to review and comment on the Purpose and Need statement prepared by the PUD prior to its adoption. Upon the vote, Commissioner Johnson voted nay. The motion carried.

Tetra Tech presented 15 alternatives for consideration. Following discussion, the Commission agreed to carry forward the following alternatives for study by Tetra Tech:

- 1) Twisp/Pateros new transmission line and substation;
- 2) No action;
- 3) Loup Loup Hot Rebuild with 15 miles of new transmission line and substation;
- 4) Loup Loup Hot Rebuild with distribution upgrade;
- 5) Loup Loup Cold Rebuild, alternate temporary generation (diesel/biomass), with distribution upgrade;

6) Partial Parallel, Partial Hot Loup Loup rebuild with distribution upgrade; and
7) Valley Floor, new alignment for transmission line, limited river crossings
with new substation.

8. Tribal Tax Policy - Resolution No. 1273:

In response to executive session discussions on the Tribal tax issue, Manager Warner presented Resolution No. 1273 to establish a policy to exempt Tribal members from paying certain taxes. WAC 458-20-192 provides that Tribal members are not required to pay certain taxes if the member lives in Indian country. The applicable taxes are the Washington State Public Utility Tax, the Washington State Privilege Tax and the Municipal Tax imposed by any city or town. Individuals requesting an exemption would be required to submit the applicable Washington State Department of Revenue tax exemption form and provide proof of Tribal membership.

Following discussion, it was agreed to amend Resolution No. 1273 to clarify that the Municipal Tax is billed directly to the consumer.

Commissioner Johnson moved, and Commissioner Bunch seconded, to adopt Resolution No. 1273 as presented with amendment. The motion was unanimously carried. Resolution No. 1273 will be presented for signature at the March 9, 2004 meeting.

9. Review Irrigation Rate Schedule No. 6:

Don Coppock and Kathy Gordon presented information on revising the current irrigation policy in an effort to minimize meter reader overtime and more efficiently conduct District business. They proposed revising the irrigation Service Schedule No. 6 to remove the inter-seasonal energy charge. The current policy calls for reading irrigation meters twice annually - once in March and once in November. The revised policy would eliminate the March read requirement, which is difficult to obtain due to the time constraints of obtaining reads for all irrigation customers within the last two weeks of March. As a result of the change, all usage associated with an irrigation account would then be billed at the Schedule 6 irrigation rate. To make the change revenue neutral, the seasonal energy charge would be increased by two hundredths of a cent per KWH (2.85 to 2.87).

Commissioner Johnson moved, and Commissioner Bunch seconded, to approve the elimination of the spring 2004 inter-seasonal irrigation billing and authorize staff to present a resolution for approval at the next Board meeting. The motion unanimously carried.

10. Commission Meeting Schedule:

As a follow-up to the discussion at the last meeting regarding holding the Board of Commissioners meetings in various locations and at varying times throughout the County, Manager Warner reported that Resolution No. 774 set the day and time of Okanogan PUD Board meetings on Monday at 10:00 a.m., and a motion on March 20, 1978 changed the meetings of the Commission to 8:30 a.m. on Tuesday. Attorney Howe noted that a "regular" meeting, pursuant to the Open Public Meetings Act, is one that is held according to a schedule adopted by resolution. A "special" meeting is defined as a meeting that is not a regular meeting. A special meeting must have 24 hours' notice, and specify the time, place and the agenda items. Special meetings preclude the Commission from taking final action on any matter not on the agenda.

A resolution setting a regular meeting schedule will be prepared for Board review. Because the Commission does not meet consistently every Tuesday, Attorney Howe recommended adopting the practice of sending out cancellation notices for any Tuesdays the Commission is not in session.

The next Okanogan PUD Board meeting is scheduled for 8:30 a.m., March 9, 2004 at the Okanogan PUD Auditorium. The Commission established the following regular meetings to be held in the Okanogan PUD Auditorium at 8:30 a.m.: March 30 (March 23 canceled); April 13; April 27; May 11; and May 25. The Commission also agreed to hold special Board meetings in outlying communities on a trial basis. The first special meeting is scheduled in Twisp on April 6 at 6:00 p.m., at a location to be announced at a later date.

11. Public Comment:

There was no public comment.

12. Meetings:

Commissioner Johnson reviewed highlights of the Washington PUD Association meetings he attended February 19 - 20, 2004.

There being no further business to discuss, the meeting adjourned at 1:44 p.m.

David A. Womack, President

ATTEST:

Darrel E. Bunch, Vice-President

Donald W. Johnson, Secretary