

**Minutes of the Regular Meeting of the Okanogan County
Public Utility District Board of Commissioners
Held in Okanogan June 15, 2004**

Present:

Board: David Womack, Darrel Bunch, Donald Johnson
Staff: Chuck Berrie, Don Coppock, Steve Brown, Derek Miller
Other: Michael Howe - Legal Counsel
Public: Rebecca Meadows, Roberta Donnor, Brian Kirchner, George Wooten, Maeyowa

President Womack called the meeting to order at 8:30 a.m. The agenda was amended to include discussions on the customer newsletter and miscellaneous information as provided by Manager Berrie.

Summary Agenda

1. Approval of Minutes
2. Approval of Work Orders
3. Approval of Vouchers
4. Approval of Transfer of Accounts
5. Methow Transmission Project EIS Public Comment Guidelines
6. Public Comment
7. BPA Irrigation Rate Implementation Agreement - Amendment #1
8. Resolution No. 1280 - Declaring Certain Equipment of the District Surplus and Authorizing the Sale Thereof
9. Personnel Update
10. Customer Newsletter
11. Miscellaneous Information
12. Public Comment
13. Meetings

1. Approval of Minutes:

Commissioner Bunch moved, and Commissioner Johnson seconded, to approve the Minutes of the June 1, 2004 regular meeting.

Commissioner Womack moved to amend the Minutes to clarify that as regards the amendments to the minutes made by Commissioner Johnson that did not receive a second, they were not seconded by Commissioner Womack because he (Commissioner Womack) felt they did not fairly or accurately represent what took place at the meeting. Commissioner Bunch seconded the motion.

Commissioner Johnson objected that this comment was not made or discussed at the June 1st meeting. Upon the vote, the motion was approved.

Commissioner Johnson questioned why item #11 (Update on Emergency Procedures during Outage) in the draft minutes from the June 1, 2004 meeting were sent out, revised, and then resent. Commissioner Johnson indicated that once the draft minutes are sent, they should only be revised during Board discussions. Commissioner Womack clarified why the recording secretary might request staff to proof the draft minutes. Reasons sighted were to insure that the minutes accurately represented the presented information and to insure that quoted figures were accurate.

Manager Berrie agreed with Commissioner Johnson and indicated that changes should only be made to correct inaccurate information and/or figures and then only by including a note in the minutes the item changed and the reason for it.

Commissioner Johnson moved to amend to minutes from the June 1, 2004 commissioner meeting that amended the Minutes from the May 11, 2004 commissioner meeting pertaining to item #7 (Electrical Consultant's Inc. Discussion) to read as follows: In addition, a written contract is not legally required for the District to conduct business with contractors (payments are authorized by the Commission through voucher approval).

Commissioner Bunch seconded the motion. The motion carried.

Commissioner Johnson moved to amend to minutes from the June 1, 2004 commissioner meeting that amended the Minutes from the May 11, 2004 commissioner meeting pertaining to item #9 (Electrical Consultant's Inc. Update) to include the following: The ECI Update also included the explanation that RCW 39.80.030 and RCW 39.80.040 require the PUD to publish its requirements for professional services annually. [That has not been done since 1997 when the PUD entered into a 3 year contract with ECI.] The statute requires negotiation of a contract with the selected firm, but not that the contract be in writing. Since the expiration on August 1, 2000 of the written contract with ECI 39 invoices have been issued for work orders outside the contract dates. Nineteen of those were identified as dealing with the Methow Transmission Project (plan, design, profile, specs, construction drawings, analysis, estimates of construction types, and EIS support); those invoices totaled \$116,886 including \$51,472 in March 2004.

Commissioner Womack responded by saying that RCW 39.80.030 and RCW 39.80.040 do not require negotiations.

Legal Counsel Howe, who had supplied the above statute information, clarified that neither of the quoted RCWs require negotiations. He went on to say that

another RCW, specifically RCW 39.80.010, requires negotiations but does not state that negotiations must be in writing.

Commissioner Johnson agreed to amend his amendment to state "Another statute" in place of "The Statute".

The motion died for lack of a second.

Commissioner Johnson moved to amend the minutes from the June 1, 2004 commissioner meeting pertaining to item #16 (Executive Session - Personnel & Litigation) to read as follows: Commissioner Johnson moved, and Commissioner Bunch seconded, to authorize staff to hire a replacement Customer Service Representative and fill two meterman positions, one of which may be an apprentice, and authorized the Manager to [insert initiate a search for; omit hire] a Director of Operations and [add hire] a summer college intern for the Telecommunications Department.

The motion died for lack of a second.

Upon the vote to approve the Minutes as amended, Commissioner Johnson voted nay, and the motion carried.

2. Approval of Work Orders:

The following work orders were submitted for approval:

03-0492 Salmon Creek Estates, Lottie Ave., Conconully	\$11,597.00
04-0134 District, 600 Twisp-Carlton Rd.	639.00
04-0181 Ron Lawver, 158 Golden Rule Rd.	6,839.00
04-0184 Harlan Warner, W. Fork Rd., Conconully	10,246.00
04-0199 Intermountain Construction, U.S./Canadian Border Crossing	1,275.00
04-0210 District, Hwy. 153 & Mundy Rd., Twisp	6,071.00
04-0213 Ron Hirst, Hwy. 97, Tonasket	4,323.00
04-0216 Buck Orndorf, Robinson Canyon Rd., Omak	2,142.00
04-0218 District, Conconully	1,196.00
04-0223 Sonnye Woodside, A St., Conconully	1,089.00
04-0224 Jeff Herschlip, 27 Palmer Mtn. Rd.	2,693.00
04-0229 Eric Strandberg, Pine Creek Rd.	1,455.00
04-0232 Dick Waddell, A St., Conconully	1,079.00
04-0233 George Otte, Hwy. 7 near Ellisforde	2,083.00
04-0239 District, 125 Cris St., Pateros	637.00
04-0242 Darrell Routien, Hwy. 153, MP 16	1,003.00
04-0244 District, Spring Coulee	3,452.00
04-0251 Verduzco Guadalupe, Omak Riverside Eastside	2,613.00
04-0254 District, Airport Rd.	1,526.00
04-0256 Rich Lange/Guy Payne, A St., Conconully	940.00

04-0257 North Country Pub, 15 S. Main St., Omak	981.00
04-0258 Lorie J. Holm, 245 Twisp-Carlton Rd.	946.00
04-0265 Godbey Red-E-Mix, 24981 Hwy. 97, Pateros	9,090.00
04-0266 District, Pateros	665.00
04-0267 District, 31 Golden Lane, Brewster	601.00
04-0268 District, 60 Sunrise Way, Brewster	987.00
04-0269 District, Driskell Rd. & Old Hwy. 97	601.00
04-0274 Methow Valley Irrigation District, Poorman Creek Rd., Twisp	8,967.00
04-0275 Howard Thompson, 60 Cherokee Rd., Omak	1,081.00
04-0278 District, Okanogan	743.00
Total	\$87,560.00

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

3. Approval of Vouchers:

Vouchers No.'s 82161 through 82236 in the amount of \$196,926.81, and No.'s 82237 through 82263 in the amount of \$172,048.59 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:

Backarich, Billie J.	\$136.58
Ballesteros, Jesse A.	459.65
Boyce, John A.	367.48
Calvin, Kathleen M.	228.87
Garcia-Beltran, Alejandro	116.91
Harris, Dugan	152.65
Henderson, Robyn A.	31.10
Hougardy, Tim E.	218.95
Johnson, Lee	481.64
Keeling, Randall W.	390.81
Kells, Malissa	163.05
Marson, Kent	39.64
Martinez Morales, Jose Luis	99.86
McCraigie, Tristan L.	118.56
Moen, Thurley	247.00
Moomaw, Sandra	92.18

Paul, Dwayne & Pakootas, Lindsey	557.28
Ranck, Melvin & Terry, Juliana	34.15
Reyes, Susan M.	392.76
Rock, Hurbert C.	156.28
Shipley, Leah & Spellman, T.	327.38
Total	\$4,812.78

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

Commissioner Bunch requested that staff, as time and resources allow, update the Board on the process the District applies to collecting on bad debts. Manager Berrie requested the report provide for comparisons to determine if current collection efforts were improving or fairing worse than in the past.

5. Methow Transmission Project EIS Public Comment Guidelines:

Manager Berrie presented for the Board's consideration a proposal to implement guidelines for individuals presenting public comment at Board meetings. Public comment is an important component of any EIS. The EIS process provides specific times for public comment. It is the desire and intent of the District to encourage and continue to accept public comment on the EIS at anytime. As always, the public is encouraged to offer oral comments on any subject at all Board meetings. This proposal would not alter that policy. This policy would insure that comments made by the public that the presenter wishes to be considered as part of the EIS process, would be recognized as such by the Board. Manager Berrie proposed that these EIS specific comments be presented in writing on a form specific to the EIS comments.

Commissioner Johnson commented that an exact record (tape recording) would avoid missing or misinterpreting comments made during Board meetings. Commissioner Johnson moved to record all public comment sections of Board meetings. The motion died for lack of a second.

Commissioner Bunch, citing the need for such a policy, moved to require all public comments made by presenters that were to be considered as EIS public comment be presented to the Board in writing on a form specifically created for this purpose. Commissioner Johnson seconded the motion. Commissioner Johnson then moved to amend the motion to require the public comment section of Board meetings be recorded. This amendment to the original motion died for lack of a second. Upon the vote of the original motion made by Commissioner Bunch, Commissioner Johnson voted nay. The motion passed two to one.

6. Public Comment:

George Wooten requested that Commissioner Johnson provide him with a copy of the 8/26/03 Commissioner Meeting Minority Report, specifically the Treasurer's report presented that day. It was not posted on the PUD's website along with the official minutes of the meeting. Mr. Wooten also insisted that the Board discontinue the practice of allowing the manager to dictate what appeared in the Board Meeting Minutes.

Maeyowa had questions she wanted answered:

At what stage is the PUD at in regards to the Tetra Tech contract schedule?

How does the public review the progress reports from Tetra Tech?

She went on to inform the Board of her discussions with John Newcom regarding a hot rebuild of the existing Loop Loop transmission line.

Maeyowa had additional questions for the Board, specifically Dave Womack since he elected himself President of the Board of Commissioners in July of 2003: When can the public expect there to be a rotation of officers on the Board?

She went on to state she supports the rebuild of the Loop Loop transmission line, supports reorganizing the Board, wants to see a thorough review of the costs associated with all alternatives to the PT transmission line proposal, and is disappointed that all of her written comments don't show up.

7. BPA Irrigation Rate Implementation Agreement - Amendment #1:

The Board in a previous decision changed the process for managing irrigation accounts. These changes impacted the irrigation rate implementation agreement between the District and BPA. An amendment to this agreement was presented in today's meeting which accommodates the change in procedures implemented as a result of the Board's previous decision. The Board authorized Manager Berrie to sign the agreement on its behalf.

8. Resolution No. 1280 - Declaring Certain Equipment of the District Surplus and Authorizing the Sale Thereof:

The District has three 3-phase padmount transformers that are surplus to the District's needs. Douglas County PUD has expressed an interest in purchasing these units at cost, plus shipping.

Commissioner Bunch moved, and Commissioner Johnson seconded, Resolution No. 1280 - Declaring Certain Equipment of the District Surplus and Authorizing the Sale Thereof. The motion carried.

Staff will verify the serial numbers of the three units prior to formalizing the agreement as it appeared that one of the serial numbers was transposed on the draft resolution.

9. Personnel Update:

Manager Berrie updated the Board on a number of personnel matters. The telecom department will be hiring a temporary fiber splicer to help reduce the backlog of new customer installations. In the past the District has used a groundsperson to help out when needed. Staff feels this is not the most efficient use of District personnel and has determined that filling a temporary position best serves the District's needs. The position will be advertised as a temporary, non-union, non-benefit, prevailing wage position. Prevailing wage has been determined to be in the \$14.00 - 17.00 range. Manager Berrie expects this backlog of new customer installations to be cleared up within six months. The position will be terminated at that time. The Board questioned if this was the same student intern position that the Board authorized staff to fill at the previous (June 1, 2004) Board meeting. That is a separate position and plans are to fill both positions. Commissioner Johnson asked if the expense of this position was being billed to the telecommunications budget and whether by doing so, would it cause the department to be over budget at the end of the year. Manager Berrie indicated that, if everything else remained the same, the telecommunication budget would be out-of-balance at the end of the year. Commissioner Johnson indicated he was ready to approve this position as he recognized that the splicing backlog was holding up new customer connections. That being said, he went on to indicate that the telecommunication department must stay within budget.

Commissioner Bunch moved, and Commissioner Johnson seconded, a motion to authorize staff to fill the above described position. The motion carried.

One of the District's distribution engineers is currently acting as the environmental officer for the District. This position carries with it a lot of responsibilities. There is a tremendous increase in demand for this service and it is expected this demand will only increase in the future. Manager Berrie informed the Board of his decision to change the title of the person responsible for this position from Distribution Engineer to Director of Regulatory and Environmental Affairs. The position would be categorized as "salary exempt". Additionally, he recommended the Board consider increasing the salary for this position to \$69,500.00.

Commissioner Bunch moved, and Commissioner Womack seconded, a motion to adjust the salary of the Director of Regulatory and Environmental Affairs to \$69,500.00 per year. The motion carried.

In other personnel matters Director of Finance, Don Coppock informed the Board that a Customer Service Representative (CSR) position being vacated by an employee leaving the area was filled with the promotion of Relief CSR Kelly Gunn. Two other relief CSRs were also recently hired according to Mr. Coppock,

those being Talana Lay and Renee Scott. Both will begin training within the next two weeks.

Commissioner Bunch requested, as time allows, an updated list of current employees and their phone numbers.

10. Customer Newsletter:

Having had an opportunity to review, the Board gave their approval for staff to proceed with printing of the second customer newsletter. This newsletter will begin going out in customers' bills starting around the middle of July.

11. Miscellaneous Information:

Manager Berrie provided the Board with information on a number of different issues including:

- ☐ The District agreed to provide mutual aid to the Nespelem Co-op in the event it's needed due to emergencies and on week-ends and holidays. Aid will be provided on a cost basis and only when the District has available manpower.
- ☐ The 3,800 mW Palo Verde, Arizona generation facility went offline yesterday. The effects of this were felt here in Okanogan County as it caused frequency deviation on our system causing the relay connecting CIPV to our system to open as a precautionary measure. Even though the system's built-in safeguards worked just as they were designed to do in the event of an abnormal occurrence, the unusual event showed just how inter-connected the entire west coast transmission grid is.
- ☐ Surplus power sales were \$1.3 million in May of this year. As of the end of May, sales are ahead of budget forecasts by approximately \$500,000. Final figures will be presented during an upcoming mid-year financial presentation to the Board.
- ☐ District staff will be used to transfer six surplus vehicles to auction. Staff compared staff time vs. a commercial car hauler and found that it was cheaper to use District staff for this number of vehicles.
- ☐ Quite frequently information involving District activities appears in newspaper articles, "Letters to the Editor" and on the radio that offers opinions and or facts that may or may not be correct or accurate. Occasionally, commissioners are asked to respond to questions arising out of those articles. To help insure that commissioners have the facts before them to make accurate responses to the questions, Manager Berrie feels it is imperative to present those facts as needed. As an example, a recent "Letter to the Editor" suggested that there is no power in French Creek. Staff provided information today showing there is power in French Creek and has been for quite some time. A check of the District's records indicates that power was provided to a customer at French Creek in 1977. A detail map showing the "as built" characteristics of the line extension for this work

order shows numerous poles with serial numbers indicating their age at circa 1956. Most recently, the District received a request for service for a development at the mouth of French Creek dated 10/16/03.

12. Public Comment:

In regards to George Wooten's comments during the first public comment section regarding minority reports, Commissioner Johnson asked who was responsible for posting the commissioner meeting minutes to the PUD website. He was informed it was the current responsibility of Tina Germano-DeLap.

Commissioner Johnson asked staff to provide a written report on our insurance carrier's position regarding taped commissioner meetings. Commissioner Womack indicated that when this came up for discussion at a previous Board Meeting, he indicated that it was his experience while sitting on the Omak City Council, that their (Omak's) liability insurance carrier suggested that city council meetings not be taped. Commissioner Womack, with concurrence from District staff went on to say that he didn't recall the District's carrier ever offering or presenting a position on this issue. Staff will contact the District's carrier to determine if such a policy or position statement exists.

George Wooten spoke of the need to rebuild the Loop Loop transmission line now. The right-of-way is already in place. The permits issued to NCI Data indicated no environmental impacts. If rebuilding the transmission line was a top priority of the PUD Commission it would improve the reliability of the system, in line with the PUD's mission.

Maeyowa requested an opportunity to review the progress reports from Tetra Tech and felt that information provided by Mr. Berrie was misleading. She indicated that the presentation did not show all of French Creek and that the information failed to show prospective in that the majority of French Creek is without power.

13. Meetings:

No discussion of meetings took place.

The next Okanogan PUD Board meeting is scheduled for 6:00 p.m., June 29, 2004 at the Brewster Grange Hall located at 25905 Hwy 97.

There being no further business to discuss, the meeting adjourned at 11:02 a.m.

David A. Womack, President

ATTEST:

Darrel E. Bunch, Vice-President

Donald W. Johnson, Secretary