

**Minutes of the Regular Meeting of the Okanogan County  
Public Utility District Board of Commissioners  
Location: Okanogan PUD Auditorium  
August 10, 2004**

**Present:**

Board: David Womack, Darrel Bunch, Donald Johnson  
Staff: Chuck Berrie, Don Coppock, Larry Felton, Debra Peters, Steve Brown, Derek Miller, Dan Boettger, Julie Pyper  
Public: Jim Martin, Ellen Laminan, Roberta Donnor

President Womack called the meeting to order at 8:30 a.m. and added to the agenda the Parliamentary Procedure Seminar. Manager Berrie added the Network Security Consulting and an Update on Filling Personnel Positions. Commissioner Johnson added the Annual Reports.

**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. SNAP (Sustainable Natural Alternative Power)
7. Joint Communication Program with other Mid-Columbia PUDs
8. Customer Newsletter
9. Professional Services Agreement/Engineering
10. Contractual Services Agreement with Accent Business Services, Inc. (to implement BPA/Slice software)
11. Carpet Bid
12. Resolution No. 1282 - Providing for the Election of Board Officers and thereby Amending Resolution No. 1266
13. Parliamentary Procedure Seminar
14. Network Security Consulting
15. Update on Filling Personnel Positions
16. Annual Reports
17. Public Comment
18. Meetings
19. Executive Session - Personnel & Litigation

**1. Approval of Minutes:**

Commissioner Bunch moved and Commissioner Johnson seconded to approve the Minutes of the July 27, 2004 regular meeting.

Commissioner Johnson moved to amend the July 13, 2004 Minutes (Item 5 -

Public Comment) to include the language “and it was supplied” with regard to his request of the 2003 Annual Report to the State Auditor. Commissioner Bunch felt that the Minutes regarding this amendment should not be changed because they were approved at the July 27th meeting; however, Johnson stated that the additional language should have been included with his July 27th amendment. The motion died for lack of a second.

Commissioner Johnson moved to amend the July 13, 2004 Minutes (Item 5 - Public Comment) to add with regard to the 2001 Annual Report “That information was provided by the PUD Financial Officer in response to a question”. Commissioner Womack noted and Director of Finance/Auditor Don Coppock confirmed that the report itself was not presented at the meeting. The motion died for lack of a second.

Commissioner Johnson moved to amend the July 27, 2004 Minutes (Item 9 - Annual Report to the Board) to revise the following statement to distinguish it from the Annual Report to the State Auditor’s Office: Although the Annual Report [to the Board] has historically been presented to the Commissioners and management and will continue to be provided, the District is [only required by law to provide a report to the State Auditor’s Office and is] not required by law to prepare a separate Annual Report [to the Board].

Following discussion, Commissioner Johnson agreed to replace “to the Board” with “to the Commissioners and management” and to eliminate “only”. The motion died for lack of a second.

Commissioner Womack moved and Commissioner Bunch seconded to amend the July 27, 2004 Minutes to reflect the recording secretary’s correction of striking “upon the vote” preceding the statement that the motion died for lack of a second (re: Johnson’s motion to amend the July 13, 2004 Minutes (Item 13 - Tetra Tech Progress Report). The motion unanimously carried.

Commissioner Womack moved and Commissioner Bunch seconded to amend the July 27, 2004 Minutes to reflect the recording secretary’s correction that the motion on the approval of the July 13, 2004 Minutes as amended failed two to one. The motion unanimously carried.

Upon the vote to approve the July 27, 2004 Minutes as amended, Commissioner Johnson voted nay and the motion carried.

## 2. Approval of Work Orders:

The following work orders were submitted for approval:

04-0002	Roger Sjodin, 17 Champerty Rd.	\$555.00
04-0004	Lyle Brooks, 15 Apple Meadow Dr.	1,041.00

04-0004	Bill Orman, Lookout Trail Rd.	1,353.00
04-0004	Janette Lovaas-Greedy, Salmon Creek Estate Track A	653.00
04-0169	Stennes-Poirier, Inc., 24 Starr Rd., Pateros (Rev #1)	1,828.00
04-0319	District, Conconully Hwy. - several locations	2,381.00
04-0322	Brian Boesel, Malott Eastside Rd.	3,616.00
04-0339	Dale Baker, 10 Loe Rd., Molson	2,526.00
04-0341	Darryn Trainor, Molson	929.00
04-0354	District, Chicken Creek Pump Plant	2,204.00
04-0365	District, Gold Mine Trail Rd.	869.00
04-0378	Harold Erwin & Judy Brezina, Hwy. 153, Carlton	1,036.00
04-0379	District, 2474 Hwy. 153, Carlton	1,324.00
04-0381	District, 375 Monse River Rd.	1,071.00
04-0386	District, Elmway	1,304.00
04-0389	District, Davis Canyon	521.00
04-0391	District, 3 Morical Rd., Brewster	576.00
04-0393	Rick DeLap, 320B Malott Eastside Rd.	1,405.00
04-0395	Energized Electric, Pascal Sherman School	1,555.00
04-0396	Dan Shiflett, Rodeo Trail	516.00
04-0411	George Zittel, 245A Omak River Rd.	843.00
	Total	\$28,106.00

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

### 3. Approval of Vouchers:

Vouchers No.'s 82964 through 83019 in the amount of \$421,986.42, No.'s 83020 through 83046 in the amount of \$176,388.62, and No.'s 83047 through 83154 in the amount of \$292,775.86 were approved for payment from the revenue fund.

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

### 4. Transfer of Accounts:

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

Abrahamson, Shandy	\$25.88
Carr, Jennifer C.	42.55
Carr, Jennifer C.	11.29
Cosino, Armando	57.38
Engel, Joshua & Sarah	317.99
Goodwin, Shaun	758.59
Goyne, Melisa	601.66

Gregory, Christella	137.23
Gregory, Christella	43.27
Hart, Summer & Bell, Douglas	28.87
Lanphear, Bobbie Jo	188.63
Leslie, J. R.	306.19
McCarty, Kelly A.	263.49
McDearmon, Carl	524.40
Martinez-Gonzales, Jesus	260.03
Orozco, Mario	210.12
Sidwaski, Lori	347.42
Stanford, Jamie	6.05
Stanley, Martin & Piapot, Kim	122.77
Strong, Crystal Ann	62.07
Sweat, Helen	106.29
Thornton, Amelia C.	190.09
Zumwalt, Randolph & Zoe	226.19
<b>Total</b>	<b>\$4,838.45</b>

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

**5. Public Comment:**

Manager Chuck Berrie read the Methow Transmission Project Environmental Impact Statement Public Comment Guidelines that were adopted at the June 15, 2004 meeting. A Public Comment Form was created to ensure that comments intended for consideration in the EIS process are not confused with public comment expressed to the Board of Commissioners as part of a regular meeting. Public comment forms will be provided for EIS comments at every Board meeting and are also available on the web at [www.okanoganpud.org](http://www.okanoganpud.org). As noted on the form, comments may also be submitted via mail, e-mail or fax.

**6. SNAP (Sustainable Natural Alternative Program):**

Debra Peters and Steve Brown of the Conservation Department presented information on offering to customers a Sustainable Natural Alternative Power Program in conjunction with the District's Interconnection and Net Metering Agreement. SNAP is a program created by Chelan PUD that encourages the installation of alternative energy resources within the utility's service territory. The program links utility customers (producers) who want to develop renewable energy resources (i.e. solar and wind power) with those (purchasers) who are willing to pay an additional amount each month to promote renewable energy resources. The program may also include customers or other persons or entities (partners) that make donations to support the installation of equipment for qualified SNAP generation projects.

Under the SNAP program, the purchasers' voluntary contributions would be

distributed to the producers based on the AC kilowatt-hours produced by SNAP generation. The utility would establish the maximum per Kwh payment amount and would be obligated to annually distribute 100% of the purchasers' contributions to the producers, not to exceed the per Kwh maximum. The Okanogan PUD SNAP Program could provide up to \$1/KWh for power.

Included in the presentation was a program outline detailing the sign-up procedures. Resolution No. 1283 adopting a SNAP program was also presented for the Board's consideration.

Commissioner Johnson moved and Commissioner Bunch seconded to approve Resolution No. 1283 contingent on approval of the District's legal counsel. The motion unanimously carried.

#### **7. Joint Communication Program with other Mid-Columbia PUDs:**

Debra Peters presented information on a joint community outreach (advertising) campaign of the four mid-Columbia public utility districts (Grant, Chelan, Douglas and Okanogan). By cost sharing and working together for the benefit of public power, the utilities expect to deliver a consistent safety-theme message throughout the four-county area.

Scripts on public power month, winter storms/downed lines and holiday lighting safety are proposed for a three-month radio station airing period beginning in October. The joint advertising group intends to meet again in September; however, script approval is needed by August 13th.

Okanogan PUD has received quotes from NCI Broadcasting, KVLK, KOZI, and Northwest Public Radio. Commissioner Womack also suggested the possibility of advertising with the Coulee Dam radio station and sharing the cost with Grant PUD.

Following discussion, the Board approved the concept and script of the advertising campaign, but reserved final approval pending additional information on the cost per radio spot.

#### **8. Customer Newsletter:**

The Board reviewed the third issue of the customer newsletter, which is scheduled to be sent out in September. Commissioner Johnson questioned the article on BPA, Okanogan PUD and the Northwest, as he felt it contained misleading statements regarding the percentages of energy the District receives from BPA and Wells Dam. Power Resource Engineer Larry Felton reviewed the District's resources (27 average megawatts from Wells Dam and 52 from BPA), and said he felt the numbers were accurate of the current situation.

It was agreed that the article would be amended to clarify that the rate

increase in 2001 was 56% and to delete a duplicate sentence regarding power supply from BPA.

Commissioner Bunch moved and Commissioner Womack seconded to accept the third issue of the customer newsletter as presented with corrections. Upon the vote, Commissioner Johnson voted nay. The motion carried.

Commissioner Johnson questioned the motion, as the Board authorized on May 11, 2004 the production and distribution of a District newsletter with the understanding that the content would be favorably reviewed by a consensus of the Board prior to a printing. Commissioner Bunch noted that he preferred a majority instead of a consensus.

Following discussion, clarification was made to the BPA article to state that Okanogan PUD receives most of our energy from BPA and it represents nearly 80% of our power supply costs.... Okanogan PUD is fortunate to receive a large portion of our energy requirements from the Wells Dam on the Columbia River.

Commissioner Womack moved and Commissioner Bunch seconded to authorize staff to develop a newsletter that will be sent to the Board for review/recommendations, but will not require Board approval. Upon the vote, Commissioner Johnson voted nay. The motion carried.

#### **9. Professional Services Agreement/Engineering:**

Manager Berrie noted that the District published a request for qualifications for engineering, and identified an immediate need associated with the EIS project. Because the socio and economic portion of the EIS for the Methow Valley transmission line project requires that all six alternatives be considered in the same perspective, construction costs are needed at the same level of detail for the comparison.

It is highly likely ECI will be used for work on the remainder of the project; however, the District also desires to enter into a Professional Services Agreement with an alternate engineering firm.

Chief Engineer Derek Miller requested a \$40,000 cap to review the six alternatives in the same perspective. This figure also includes presentation of results; however, he expects the cost to be significantly less.

Commissioner Bunch moved and Commissioner Johnson seconded to authorize the Manager to enter into a Professional Services Agreement with a new engineering firm to perform engineering services with deliverables not to exceed \$40,000 (for the EIS Methow Transmission Line Project alternatives comparison). The motion unanimously carried.

**10. Contractual Services Agreement with Accent Business Services, Inc. (to implement BPA/Slice software):**

Larry Felton presented a change order to the existing contract (Consulting Agreement No. 01-013) with Accent Business Services, Inc. for support of the BPA Slice Agreement. The hourly rate for the work performed under this agreement shall be \$105 per hour for the term April 16, 2004 through April 15, 2006.

Felton noted that the District originally contracted with Accent as a group; however, a new rate was established when that contract ended. Finishing the work started by Accent will assist the District with its self supply of operating reserves.

Commissioner Johnson moved and Commissioner Bunch seconded to accept the proposal for a change order with Accent Business Services, Inc. to Consulting Agreement No. 01-013 for support of the BPA Slice system (for the hourly rate of \$105 per hour for the term April 16, 2004 through April 15, 2006). The motion unanimously carried.

**11. Carpet Bid:**

Manager Berrie discussed revising the 2004 budget for replacement of carpet in the Okanogan office. The original estimate for replacing all of the carpeting was \$53,000; however, that figure was reduced during last year's budgeting process as it was decided at that time to do a phased approach with \$20,000 budgeted for 2004.

Since that time, the carpet was identified and a bid package was sent to 10 companies. No bid responses were received and local companies were then contacted, which resulted in a bid significantly less than the State contracting estimate. The Floor Factory of Wenatchee bid \$22,000 plus tax for the entire carpet and installation project (approximately 1,000 yards).

Because of the cost effectiveness of doing the entire carpet project at this time, the Board approved increasing the 2004 budget from \$20,000 to \$25,000 to accommodate the Floor Factory's bid of \$22,000 plus tax.

**12. Resolution No. 1282 - Providing for the Election of Board Officers and thereby Amending Resolution No. 1266:**

As a follow up to last meeting's action to set the first meeting in January for the election of Board positions and to review Board assignments, Attorney Howe updated the current Resolution adopting rules and procedures for meetings by the Board of Commissioners to include the setting of Board elections and assignments.

Resolution No. 1282 was presented, which provides for the election of Board officers and thereby amends Resolution No. 1266.

Commissioner Bunch moved and Commissioner Womack seconded to adopt Resolution No. 1282. The motion unanimously carried.

**13. Parliamentary Procedure Seminar:**

President Womack noted that a seminar providing instruction on parliamentary procedures is scheduled at the Omak City Council Chambers on September 15, 2004 from 10:00 a.m. to 5:00 p.m. The approximate cost of \$125 per person is dependent on attendance.

Commissioners and interested PUD staff planning to attend the seminar should direct their RSVP to Julie Pyper.

**14. Network Security Consulting:**

Manager Berrie discussed a need to increase the 2004 budget for network security consulting from the original authorized amount of \$20,000 to \$30,000. A noticeable increase in the number of attempts to infiltrate the District's network has been noted. Although these attempts have been thwarted, it reaffirms the need for continued monitoring to safeguard the integrity of the District's network.

The District presently contracts with Resource Computing for network security, Black Hole Networks for Ethernet security, and D-Dubya for Sonet security (although D-Dubya's services haven't been used since the contract was approved in December).

Commissioner Bunch moved and Commissioner Johnson seconded to increase the 2004 network security consulting budget by \$10,000 (from \$20,000 to \$30,000). The motion unanimously carried.

**15. Update on Filling Personnel Positions:**

Manager Berrie reported that a Lineman Apprentice who formerly worked for Avista was hired effective August 16, 2004 to backfill a position resulting when a Lineman left the employ of the District.

A Journeyman Meterman from the City of Centralia Utility was hired effective August 23, 2004.

**16. Annual Reports:**

With the additional Accountant on staff, Commissioner Johnson requested that he soon receive the 2002 and 2003 Annual Reports. In addition, he requested copies of the Auditor's Reports since 1999 (he has received 2003).

In addition, Commissioner Johnson requested to review the PDF versions of the completed chapters and figures submitted by Tetra Tech to the PUD and Forest Service for preliminary internal administrative review.

**17. Public Comment:**

There was no public comment.

**18. Meetings:**

The next Okanogan PUD Board meeting is scheduled for 6:00 p.m., August 24, 2004 at the Okanogan PUD Auditorium.

**19. Executive Session - Personnel & Litigation:**

President Womack recessed the Commission into executive session at 11:35 a.m.

President Womack reconvened the Commission into regular session at 12:30 p.m. There being no further business to discuss, the meeting adjourned at 12:30 p.m.

David A. Womack, President

ATTEST:

Darrel E. Bunch, Vice-President

Donald W. Johnson, Secretary