

**Minutes of the Regular Meeting of the Okanogan County
Public Utility District Board of Commissioners
Held in Okanogan February 10, 2004**

Present:

Board:	David Womack, Darrel Bunch, Donald Johnson
Staff:	Harlan Warner, Chuck Berrie, Don Coppock, Joe Miller, Larry Felton, Derek Miller, Dan Boettger, Debbie Peters, Steve Brown, Julie Pyper
Other:	Michael Howe - Legal Counsel Lael Duncan & Becky Hightower, OCCAC
Public:	Cody Miller, James Hoberg, William Colyar, Roberta Donnar, Kathleen Hirschstein, Janie Lewis, Walt Pearce, Vicky Welch, Lance Haney, Maeyowa, Bill Swayze

President Womack called the meeting to order at 8:30 a.m., and asked for any additional agenda items. Manager Warner noted that following a meeting with the Forest Service and Tetra Tech on February 6, 2004, there was not adequate time to prepare for today's discussion, so the agenda item has been moved to the February 24th meeting. Added to today's agenda: 1) a presentation by Lael Duncan, Executive Director of Okanogan County Community Action Council, on partnership collaboration regarding the Washington Consumer Energy Fund Grant Application; and 2) a District discussion regarding Irrigation Rate Schedule/Meter Reading.

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. Slice Consultant Agreement
7. Establishing New SONET Rates - Resolution No. 1272
8. Okanogan County Community Action Council
- Partnership Collaboration/WA Consumer Energy Fund Grant Application
9. Irrigation Rate Schedule/Meter Reading
10. Waste Disposal Contract
11. Bid No. 311-04 - Wireless Radios
12. CERB Letter
13. Notice of Retirement
14. Meeting Schedule
15. Public Comment
16. Meetings
17. Executive Session - Litigation

1. Approval of Minutes:

Commissioner Bunch moved, and Commissioner Johnson seconded, to approve the Minutes of the January 20, 2004 regular meeting. The motion carried.

2. Approval of Work Orders:

The following work orders were submitted for approval:

99-0765	James & Diane Rogers, Twisp River Rd. (Rev. #1)	\$3,958.00
03-0390	Colville Tribal Housing Auth., Pascal Sherman School	\$39,704.00
03-0449	City of Omak, East Side Park Soccer Fields	\$724.00
03-0472	District/Fox Mountain Rd.	\$10,477.00
03-0492	Salmon Creek Estates, Lottie Ave., Conconully	\$14,011.00
03-0548	District, Central Area	\$20,173.00
03-0549	District, 3rd & Seattle	\$946.00
03-0553	Colville Tribal Housing Authority, Pascal Sherman	\$10,633.00
03-0556	District, Country Estates	\$3,391.00
03-0580	Choice Auto, 625 Okoma Dr., Omak	\$2,701.00
03-0599	Charter Communication, Weatherstone & Dixon Rd.	\$4,640.00
03-0603	Harvel McChristian, N. Star Rd., Brewster (Rev. #1)	\$884.00
03-0609	Edith & Gordon Sattler, 3 Maranatha Ct., Brewster	\$789.00
03-0614	District, 307 7th St. S., Brewster	\$1,330.00
03-0615	Susan Reisenburg, 20 Lumm Rd., Okanogan	\$4,949.00
03-0616	Distr/Unknown Driver, 2 spans S. of Similkameen Bridge, Hwy. 7	\$2,100.00
03-0619	Phil Longmire, 976 Hwy. 7	\$1,075.00
03-0620	Robert Holder, Hwy. 7 S.	\$550.00
04-0052	District, Pogue Flat	\$2,158.00
04-0053	Washington Dept. of Transportation, Tonasket Shop	\$668.00
04-0054	Alejandro Jimenez-Ortiz, Hwy. 7 - 2 mi. S. of Oroville	\$2,300.00
04-0055	District, 378 Twisp-Carlton Rd.	\$807.00
04-0063	District, Fox Mtn. Rd.	\$1,962.00
04-0067	District, Conconully	\$959.00
04-0070	District, Chopaka Rd.	\$911.00
04-0071	District, Omak	\$674.00
04-0072	District, Chiwiliken Valley	\$1,282.00
04-0078	District, Wannacut Lake Rd.	\$1,050.00
	Total	\$135,806.00

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

3. Approval of Vouchers:

Vouchers No.'s 80510 through 80537 in the amount of \$165,887.43, No.'s 80538 through 80582 in the amount of \$321,780.05, No.'s 80583 through 80663 in the amount of \$356,454.38, No.'s 80664 through 80690 in the amount of \$177,821.70, No.'s 80691 through 80773 in the amount of \$299,502.94, and No. 80774 in the amount of \$13,385.09 were approved for payment from the revenue fund.

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

4. Transfer of Accounts:

Submitted for transfer to account #3553-5 in the name of North Country Pub was invoice #3546, dated September 26, 2003, in the amount of \$25.00 for an after-hours call out on August 31, 2003 to North Country Pub.

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

5. Public Comment:

Maeyowa asked when the summary report of scoping comments for the Methow Transmission Line Project would be available, if the EIS was on schedule, and if a road plan had been developed. She expressed support for continued staffing of the PUD office in Twisp.

Kathleen Hirschstein inquired as to the Cummins litigation and associated costs. She encouraged the Board to schedule evening PUD meetings in different areas.

Vicky Welch noted that the Twisp PUD office was an asset to the community. She praised the PUD for investing in renewable energy and urged expansion of that investment.

Commissioner Johnson inquired as to resolution of the February 5, 2004 complaint from the owners of the Ponderosa Motor Lodge. Director of Finance Don Coppock advised that he met with the parties prior to receipt of their letter and explained the District's billing process. Following discussion, the Commissioners felt the matter had been satisfactorily handled and requested Mr. Coppock respond in writing to their February 5, 2004 letter.

6. Slice Consulting Agreement:

Power Resource Engineer Larry Felton reviewed Amendatory Agreement No. 1 to the Slice Participants Retention Agreement, which provides for the services of Rich Nassief Consulting for the period January 1, 2004 through December 31, 2004. As outlined in the Agreement, the Consultant will provide administrative and technical support to the Slice Contract Group in the total amount not to exceed \$41,150.00 (Okanogan PUD's portion is 2.25%).

Commissioner Johnson moved, and Commissioner Bunch seconded, to authorize the Manager to sign Contract #03-51-03-Change Order #1 - Slice Participants, Consultant Retention, Cost Sharing and Reimbursement Agreement. The motion carried.

Mr. Felton noted there was a second all-time high peak on the system of 178 megawatts in January 2004 with the combined load of the District (160 megawatts), Winthrop REA and the Bureau of Reclamation. The weather-related peak reflected a 20% increase in heating degree days during the months of November, December and January over the same period last year. This large difference was due mostly to this year's January low temperature of -3 degrees versus January 2003's lowest temperature of 20 degrees. Weather graphs are available at the PUD offices.

7. Establishing New SONET Rates - Resolution No. 1272:

Telecom Manager Joe Miller introduced Resolution No. 1272, which rescinds Resolution No. 1205 and establishes a new Rate Schedule for the District's Telecommunication System based on various configurations of SONET service over one, three and five-year terms.

NoaNet has requested a service agreement with the District for a tail circuit from Chief Joe to Verestar to compliment the existing agreement between NoaNet and Verestar for OC-12 transport. William Colyar of Verestar commented that Okanogan PUD was chosen for this new circuit over other telecom providers based on NoaNet and the PUD's commitment to install and maintain its own fiber.

Commissioner Bunch moved, and Commissioner Johnson seconded, to adopt Resolution No. 1272 (which rescinds Resolution No. 1205). The motion carried.

8. Okanogan County Community Action Council - Partnership Collaboration/ Washington Consumer Energy Fund Grant Application:

Executive Director Lael Duncan and Housing Manager Becky Hightower of Okanogan County Community Action Council requested the District's partnership collaboration with a \$10 million Washington State Community Action Program grant application to the Washington Consumer Energy Fund administered by the Seattle Foundation. As a result of deregulation and independent power marketers, Washington State will receive an antitrust settlement over the next 20 years of approximately \$37 million to benefit residential energy users and business customers (estimated \$12 million available at this time). It is proposed that Okanogan PUD would be eligible for approximately \$177,000.00 over a two-year period. These funds would be administered by Community Action to benefit all residential income levels in Okanogan County with energy assistance and energy efficiency.

Commissioner Johnson moved, and Commissioner Bunch seconded, to direct the Manager to provide OCCAC with a letter of support for application of the Washington Consumer Energy Fund. The motion carried.

9. Irrigation Rate Schedule/Meter Reading:

Manager Warner noted that data will be presented at the February 24th meeting regarding the impact reading irrigation meters once per year would have on the District's operations. A change from the present spring and fall readings would require a revision to Rate Schedule No. 6.

10. Waste Disposal Contract:

Distribution Engineer Dan Boettger recommended the addition of Trans-Cycle Industries, Inc. of Alabama to the list of available companies the District contracts with for waste disposal services.

Commissioner Bunch moved, and Commissioner Johnson seconded, to authorize the Manager to execute a Contract with Trans-Cycle Industries, Inc. for waste disposal. The motion carried.

11. Bid No. 311-04 - Wireless Radios:

Telecom Manager Joe Miller reported that four bids were received in response to Bid No. 311-04 for the purchase of wireless equipment in units of 100 to expand the District's wireless Ethernet system through 2004. Staff had determined it was in the best interest of the District to re-bid because radio prices had dropped significantly since the previous bid award. Mr. Miller recommended awarding the bid to the lowest bidder, Cascade Networks (a savings over the previous bid of approximately \$30 per radio).

Commissioner Bunch moved, and Commission Womack seconded, to award Bid No. 311-04 to Cascade Networks. Commissioner Johnson abstained from voting because he said he is already on record as opposing spending money for expanding the Wireless Project. The motion carried.

12. CERB Letter:

Chief Engineer Derek Miller reported that the Community Economic Revitalization Board officially acknowledged receipt of the PUD's letter stating that the fiber build-out to Twisp for the NCTeleserve Call Center would not go forward as proposed. While withdrawing funding, CERB did encourage the District to reapply once economic conditions improved to the point that the proposed Call Center project or another eligible business could proceed.

13. Notice of Retirement:

As stated in a letter to the Board of Commissioners, Manager Harlan Warner announced his intent to retire from the District on April 1, 2004. After a very rewarding career, his plans are to remain in the community and continue to follow regional power issues and Okanogan PUD.

Commissioner Johnson moved, and Commissioner Bunch seconded, to accept Harlan Warner's notice of intent to retire from the District effective April 1, 2004. The motion carried.

Manager Warner also announced the retirement of Jerry Seaver as Purchasing Supervisor effective April 30, 2004. Mr. Seaver's position has been filled by the District's Warehouseman, Mike Morris. The Warehouseman position has been posted in-house and will close on February 13th.

14. Meeting Schedule:

The Board discussed holding Commission meetings in various communities throughout the District.

Commissioner Johnson moved to begin scheduling one evening meeting a month in different service communities. The motion failed for lack of a second. Commissioner Womack felt evening meetings were a good idea, but not at the frequency proposed due to the number of staff involved. Commissioner Bunch supported a different meeting timeframe if an agenda item affects a specific community.

Commissioner Johnson moved to schedule evening meetings every second month beginning in February 2004 in Twisp, Oroville, Okanogan, Brewster or Tonasket. The motion failed for lack of a second.

Since all meetings of the District are to be held in accordance with the Open Public Meetings Act, Attorney Howe will review the provisions of the Act for compliance, i.e., setting the time, place and publishing notice. The matter will be readdressed at the February 24th meeting.

15. Public Comment:

Kathleen Hirschstein inquired as to the nature of the Tetra Tech and Forest Service reports at the February 24th meeting, and asked if the agencies involved would be given an opportunity to comment.

Vicky Welch inquired as to the District's future plans regarding fiber-optics/wireless.

Bill Swayze commented on the quality of the PUD's towers and noted the wireless service is affordable, reliable and secure.

Maeyowa read a Wenatchee World editorial relating to complaints about public utilities.

16. Meetings:

Commissioners Johnson and Womack reviewed highlights of the Washington PUD Association meetings they attended on February 5-6, 2004 in Olympia.

The next Okanogan PUD Board meeting is scheduled for 8:30 a.m., February 24, 2004 at the Okanogan PUD Auditorium.

17. Executive Session - Litigation:

President Womack recessed the regular meeting into executive session from 12:05 p.m. to 12:50 p.m.

President Womack reconvened the meeting into regular session at 12:50 p.m. and immediately recessed into executive session until 1:20 p.m.

President Womack reconvened the meeting into regular session at 1:20 p.m. and immediately recessed into executive session until 1:35 p.m.

President Womack reconvened the meeting into regular session at 1:35 p.m. Commissioner Bunch moved, and Commissioner Womack seconded, to adopt Resolution No. 1271 authorizing settlement of legal action between the District and Cummins Northwest. Upon the vote, Commissioners Bunch and Womack voted yes and Commissioner Johnson voted no. The motion carried.

There being no further business to discuss, the meeting adjourned at 1:50 p.m.

David A. Womack, President

ATTEST:

Darrel E. Bunch, Vice-President

Donald W. Johnson, Secretary