

**Minutes of the Regular Meeting of the Okanogan County  
Public Utility District Board of Commissioners**

**Okanogan PUD Auditorium  
March 8, 2005  
8:30 a.m.**

**Present:**

**Board:** Ernest Bolz, David Womack, Donald Johnson  
**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Larry Felton, Derek Miller, Jerry Day, Jeff Deason, Steve Brown, Julie Pyper  
**Other:** Michael Howe - Legal Counsel  
**Public:** Greg Marney - NoaNet; David Sexton - NCI Data.com; Roberta Donnor - Chronicle; Jason Dodgen & William Swayze - Community Net; Rebecca Meadows - KOZI; Brian Kirchner

**Summary Agenda**

1. Call to Order
2. Additions/Deletions to Agenda
3. Approval of Minutes
4. Approval of Work Orders
5. Approval of Vouchers
6. Approval of Transfer of Accounts
7. Public Comment
8. Telecommunications to Twisp Office
9. Greg Marney - NoaNet
10. Telecom Discussion
11. Manager's Report
12. Power Supply Report
13. Public Comment
14. Meetings
15. Executive Session
16. Adjournment

**1. Call to Order:**

President Bolz called the meeting to order at 8:30 a.m.

**2. Additions/Deletions to Agenda:**

Added as an additional agenda item by Commissioner Womack was the scheduling of future Board meetings.

### 3. Approval of Minutes:

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the Minutes of the February 22, 2005 regular meeting.

Commissioner Womack indicated that Commissioner Johnson's proposed addition to Item 7 - Public Comment did not accurately reflect the position of the Internet Service Providers. Following discussion, Commissioner Womack moved to delete the proposed amendment [*The consensus seemed to be that the PUD should get out of the radio business and concentrate on extending the telecom program by satisfying access to the fiber backbone and constructing towers for wireless in unserved areas.*]. There was no second to the motion.

Commissioner Johnson moved, seconded by Commissioner Womack, to amend his statement as follows: **The Manager stated that the two largest wireless customers were in favor of transitioning the PUD out of the radio business and concentrating on extending the telecom program by satisfying access to the fiber backbone and constructing towers for wireless in unserved areas.** The motion unanimously carried.

The motion to approve the February 22, 2005 Minutes as amended unanimously carried.

### 4. Approval of Work Orders:

The following work orders were submitted for approval:

04-0472	CIPP, Riverside Eastside Rd.	\$1,860.00
04-0519	D&E Storage, 19 Gebbers Lane, Brewster	20,438.00
04-0556	District/Oroville Sub. 3000 Feeder	75,178.00
04-0562	District, Hwy. 97 S. of Bridge, Oroville	1,370.00
04-0573	District, 4th Ave. N., Okanogan	2,522.00
05-0054	Bill Maples, 8B 7th Ave., Tonasket	823.00
05-0069	District, Oroville 3000 Circuit on Appleway	16,692.00
05-0078	Craig Brownlee, Eastlake Rd., Oroville	6,071.00
05-0080	James Nelson, 13 Broadway St., Loomis	2,391.00
05-0082	District, King Rock Rd.	3,730.00
05-0084	District, Chilliwist	2,017.00
	Total	\$133,092.00

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the work orders. The motion unanimously carried.

### 5. Approval of Vouchers:

Vouchers No.'s 85903 through 85953 in the amount of \$315,891.89, No. 85954 in the amount of \$7,000.00, No.'s 85955 through 85977 in the amount of \$175,255.34, and No.'s 85978 through 86037 in the amount of \$261,847.18 were approved for payment from the revenue fund.

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the vouchers. The motion unanimously carried.

## 6. Transfer of Accounts:

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

Anglin, Michael Wayne	\$40.18
Arballo, Erick	184.39
Bell, Barbara & Gil	128.05
Boomer, Gaylee	125.60
Cannaday, John	116.21
Cohen, Joe & Clydene	141.24
Cohen, Joe & Clydene	93.37
Condon, Marie W. (Estate)	49.90
Continental Baking Co.	21.26
Crofoot, Earl (Estate)	464.23
Dick, Linda	103.80
Larson, Linda Conservation Loan C00392	2,016.09
Martinez, Raul	26.65
McCoy, Christa & John	193.96
Matson, Lori A.	12.10
Moore, Nickolas & Mieirs, Shannon	95.06
Pein, Chris	256.18
Sellars, Jay	229.46
Smith, Jamie & Willard	166.56
Sykes, Larry Joseph	201.54
Wheatcroft, April	5.32
Total	\$4,671.15

Submitted for transfer was the outstanding balance of \$112.90 on closed irrigation account #16321-2 in the name of Brian Varrelman to the residential account #17672-7 of Brian Varrelman.

Also submitted for transfer was the outstanding balance of \$203.82 on closed account #31932-7 in the name of Arduous, Inc. (c/o Dave and Terry Berry) to the residential account #34651-0 of Dave and Terry Berry.

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the account transfers as presented. The motion unanimously carried.

#### **7. Public Comment:**

President Bolz announced that when the meeting is at this time in Okanogan, during first session of public comment priority would be given to customers with bill complaints or other personal business so those commenting could address the Board and then return to work. No public comment followed.

#### **8. Telecommunications to Twisp Office:**

Manager Chuck Berrie presented an agreement between the District and CenturyTel to provide bandwidth for the Twisp office operations and substation. The agreement provides for 100 Mb of Ethernet transport from Chief Joseph Dam to the Twisp and Winthrop area for \$900/month. The District anticipates there will be substantial excess bandwidth available after the needs of the PUD are met and will make that available to local Internet Service Providers. Commissioner Johnson noted that the acquisition of this fiber and a cooperative agreement with the local TV District for installation of PUD equipment on their tower would make the PUD's wireless broadband program accessible to Methow Valley retail providers with very little capital investment. It was agreed that this would be included in the ongoing Telecom Program review.

Commissioner Womack moved, seconded by Commissioner Johnson, to authorize the Manager to enter into a five-year agreement with CenturyTel for 100 Mb of bandwidth at \$900/month. The motion unanimously carried.

#### **9. Greg Marney - NoaNet:**

Greg Marney, Chief Executive Officer of the Northwest Open Access Network, provided a member update to Okanogan PUD. NoaNet is a public open-access broadband communications network that facilitates member utility operations and rural access to broadband services. It was incorporated in 2000 with 18 members which included Okanogan County PUD. It currently has 15 members. Its capital investment is supported by \$27 million in bonds guaranteed by its members. The PUD is responsible for about \$1.8 million of that debt. Revenues cover operating expenses, but are not anticipated to cover debt service; the PUD assessment for this is about \$168,000 per year.

#### **10. Telecom Discussion:**

At the last meeting, the Board tabled any action on the purchase of additional radios for the wireless project until a bid currently out for radio kits could be considered. It has since been determined that bid results will not be available

until March 11, so Manager Berrie provided information on the quantity and cost of radios and switches purchased to date. It was also noted that Internet Service Providers have determined a need for 147 to 174 radio kits over the next three months to continue providing wireless service to new customers. The projected cost at \$700/radio kit is \$102,900 to \$121,800 for the three-month interim period until the telecommunication study is completed.

Manager Berrie supplied costs for the 476 radios and 346 switches purchased to date totaling about \$350,000. It was pointed out that the wireless plan called for service to nine communities for about \$700,000, but more than \$700,000 has already been spent providing service for three communities that had service available before the program was initiated. Commissioner Johnson expressed the view that any additional investment should expand service to areas not presently covered. He also noted that pilot projects for broadband over power lines were being conducted by Avista, Inland Power and Light, and Chelan County PUD and that the PUD might be continuing to invest in the wrong technology.

Commissioner Womack moved, seconded by Commissioner Bolz, to authorize the Manager to purchase wireless radio kits needed through the telecom review period in increments of 50 to a maximum of 150. The motion carried two to one with Commissioner Johnson opposed.

#### **11. Manager's Report:**

Manager Berrie, Larry Felton and Dan Boettger attended the Northwest Hydroelectric Association Annual Conference in Portland March 1-2. (With respect to the Enloe Dam Hydroelectric Project, the Federal Energy Regulatory Commission has not yet responded to the District's Application for a Preliminary Permit. A Request for Quotations for professional services in aiding the District as the primary consultant for licensing with FERC is expected to be awarded soon.)

A modular office building has been leased at \$272/month to provide additional office space at Okanogan PUD.

President Bush's market based rate proposal has met with tremendous opposition nationally and from the northwest delegation.

Bonneville Power Administration has agreed to dedicate resources to explore improvements recommended by the Transmission Issues Group to the Northwest transmission system as an alternative to the Regional Transmission Organization/Grid West.

May 2005 marks the 60th anniversary of Okanogan PUD.

Staff is in the process of developing a five-year plan for capital improvements and maintenance. A priority will be pole testing and maintenance with poles on the Loup Loup transmission line receiving early attention. Commissioner Johnson asked why rebuilding a 57-year old Methow Valley distribution system, including poles, with the existing crew wouldn't be considered normal maintenance and whether \$1.6 million in labor costs for that crew should be included as a Loup Loup rebuild cost.

Chief Engineer Derek Miller and Manager Berrie addressed comments/questions regarding the Methow Transmission Line DEIS. Manager Berrie stated that costs for the alternatives would be explained and made clear. The question of the dimensions of hand-dug holes was discussed and it was concluded that most poles would require a hole 6 feet in diameter and 10 feet deep. Another question dealt with the current availability of power along the proposed new Pateros/Twisp transmission line route, its adequacy for planned development, and the relationship to the 8.7 miles of proposed distribution underbuild and the proposed new substation. Currently one parcel has electricity and 76 are either sold or offered for sale by one landowner. In relationship to that private development between Bill Shaw Road and French Creek, Manager Berrie proposed a tour for interested parties.

## **12. Power Supply Report:**

Power Resource Engineer Larry Felton presented a comparison of January/February 2005 net actual wholesale power sales versus the original budget estimate. A colder than normal January left less wholesale power available for sale because the District had more retail power to serve (74,476 megawatt hours), which resulted in a 5,000 MWh deviation from the estimated retail load of 69,415 MWh. This was offset by more than anticipated February sales. The net result for the first two months of the year was a 7% increase over the budget estimate for sales (\$1,001,673 actual versus \$933,754 estimate). The District took advantage of higher prices brought on by concerns of a lower than normal snow pack by signing contracts for delivery of power in May and June 2005.

## **13. Public Comment:**

Brian Kirchner had follow-up questions to the Power Supply Report.

## **14. Meetings:**

The Commissioners attended the Methow Transmission Project DEIS public hearings on February 23 at the Okanogan PUD and February 24 at the Liberty Bell Jr.-Sr. High School in Twisp.

Commissioners Womack and Johnson will attend the Washington PUD Association meetings scheduled in Olympia on March 17-18.

Commissioner Johnson will attend Energy Northwest's budget review in Richland on March 22-23.

The next Okanogan PUD Board meeting is scheduled for 6:00 p.m., March 29, 2005 in Twisp at the Methow Valley Community Center, 201 South Methow Valley Highway.

Additional Commission meetings were set as follows:

April 5, 2005 Okanogan PUD Auditorium 8:30 a.m.

April 19, 2005 Okanogan PUD Auditorium 8:30 a.m.

May 3, 2005 Okanogan PUD Auditorium 8:30 a.m.

May 24, 2005 Okanogan PUD Auditorium 6:00 p.m.

June 14, 2005 Okanogan PUD Auditorium 8:30 a.m.

June 28, 2005 Tonasket (location to be determined) 6:00 p.m.

#### **15. Executive Session:**

President Bolz recessed the Commission into a 45-minute executive session at 11:45 a.m. to discuss personnel and litigation, with no action anticipated.

President Bolz reconvened the Commission into regular session at 12:30 p.m.

#### **16. Adjournment:**

There being no further business to discuss, the meeting adjourned at 12:30 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary