

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

**Methow Valley Community Center
201 South Methow Valley Highway, Twisp, WA
March 29, 2005
6:00 p.m.**

Present:

Board: Ernest Bolz, David Womack, Donald Johnson

Staff: Chuck Berrie, Doug Adams, Don Coppock, Derek Miller,
Dan Boettger, Jeff Deason, Reid Rubert, Steve Brown, Julie Pyper

Other: Michael Howe - Legal Counsel

Public: Dawn Heath, Rusty Post, Kip Henry Roberts, Becky Harwood, Mike Ferris, Mike McHugh, Jane T. McLaughlin, Rob Crandall, Camden Shaw, Lorah Waters, Rebecca Meadows, Nancy Whittier, John Townsley, Nancy Nash, Emma Halpin, Ed Welch, Tom Doran, Marjorie Barker, Sam Greenbowich, Michael Miller, Maeyowa, Kathleen Hirschstein, Verne Donnet, Doug Wilcox, Craig Derosa Edwards, Rosie Hough, Dave Johnson, Esther Johnson, Vicky Welch, Ann McCreary, Anaka Mines, Dan Johnson, George Wooten, Roger Meader, Nim Titcomb, Carol Alexander, V. Ray Ellis, Jr., Elaine Marquez, Cameron Green, Kim Odell, Tracy Spraver, Shaula Fink, Jeff Hardy, Maria Converse, John Bonica, and others not listed on the attendance sheet

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. John Townsley - Washington Agriculture Forestry Leadership Foundation
8. Methow Transmission Line Project EIS Information
9. Public Comment
10. Tacoma Land Development
11. Manager's Report
12. Public Comment
13. Meetings
14. Executive Session
15. Union Contract

16. Tuppling Damage Claim
17. Adjournment

1. Call to Order:

President Bolz called the meeting to order at 6:12 p.m.

2. Additions/Deletions to Agenda:

Commissioner Johnson added as an additional agenda item, prior to public comment, the Methow Transmission Line Project EIS information that was provided to the Board last week. Manager Berrie requested that the Union Contract agenda item follow executive session. President Bolz accepted the agenda as modified.

3. Approval of Minutes:

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the Minutes of the March 8, 2005 regular meeting.

Commissioner Johnson moved, seconded by Commissioner Bolz, to amend Item 8 - Telecommunications to Twisp Office as follows:

The District anticipates there [will be substantial] [omit may be] 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.]

The motion unanimously carried.

Commissioner Johnson moved, seconded by Commissioner Bolz, to amend Item 9 - Greg Marney - NoaNet as follows:

[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.]

The motion unanimously carried.

Commissioner Johnson moved, seconded by Commissioner Bolz, to amend Item 10 - Telecom Discussion as follows:

The projected cost at \$700/radio kit is [\$102,900 to \$121,800] [omit \$100,000 - \$200,000] 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.]

The motion carried two to one with Commissioner Womack opposed.

Commissioner Johnson moved, seconded by Commissioner Bolz, to amend Item 11 - Manager's Report as follows:

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.]

The motion carried two to one with Commissioner Womack opposed.

Commissioner Johnson moved to amend Item 12 - Power Supply Report as follows:

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 motion unanimously carried.

The motion to approve the March 8, 2005 Minutes as amended unanimously carried.

4. Approval of Work Orders:

The following work orders were submitted for approval:

04-0059 District, Okanogan	\$33,063.00
04-0114 Major Dhahliwahl, Hwy. 97 (Rev. #1)	7,628.00
04-0392 Ross Suder, Greenacres Rd.	1,876.00
04-0624 District/Ayers to Jensen, S. Pine Creek Rd.	25,565.00
05-0004 Tonasket Assembly of God, Hwy. 97 N. of Tonasket	855.00
05-0091 Jack Denison, Windy Flat Rd.	4,474.00
05-0096 Andrea Smith, Malott Eastside Rd.	5,066.00
05-0098 Dan O'Hara, 26 Shirley Rd., Oroville	878.00
05-0101 Norman Whited, Lot 1171, Box Spring Rd., Tonasket	2,202.00
05-0102 District, 545 Cape Labelle Rd.	513.00
05-0103 Dan McCarthy, 43 Sylvester Rd.	2,402.00
05-0106 District, Cape Labelle Rd.	513.00
05-0110 Roger Curry, Monse River Rd.	943.00
05-0117 Charles Taylor, 2nd Ave. N., Okanogan	717.00
05-0118 District, Omak-Riverside Eastside Rd.	548.00
Total	\$87,243.00

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

5. Approval of Vouchers:

Voucher No. 86038 in the amount of \$82,708.13, No.'s 86039 through 86163 in the amount of \$492,727.32, No.'s 86164 through 86165 in the amount of \$132,201.69, No.'s 86166 through 86190 in the amount of \$185,525.61, No.'s 86191 through 86266 in the amount of \$285,022.19, and No.'s 86267 through 86329 in the amount of \$1,131,910.33 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:

Algaier, Debra & Timothy D.	\$78.92
Amundson, Donald W. & Margaret V.	125.12
Amundson, Leo A. Sr.	179.87
Andrew, Elayne	12.91
Andritz, Dan & Tammy	508.27
Appel, Stacy (Estate)	111.59
Arceo-Flores, Crystal	71.02
Bestor, Leslie Ann	136.78
Carden, Kevin & Sylvia	417.23
Carson, Krystal & Malcom	87.64
Charley, Florence	187.58
Chavez Montes, Cesar O.	204.73
Clark, Robert A.	14.34
Covington, Michelle	130.75
Curry, Gloria	64.09
Deboer, Jolene & Sanchez, David	27.72
Desautel, Victor Jr. & Ortiz, Cheralynn	34.72
Edwards, Cynthia Jo	857.40
Ekenbarger, Christy	126.47
Farmer, James R.	3.91
Fernandez, Guillermin	101.53
Fernandez, Guillermin	51.23
Freeman, James & Bernita	30.16
Gallaher, Anthony	139.80
Gamache, Lorraine	261.77
Gillogly, Colleen	135.53
Giron, Maria	51.21
Gomez, Melissa	55.86
Griffiths, Robert C.	104.09
Hayworth, Cheryl	109.98
Hell, Sherrie	225.08
Hogan, Michael	21.19
Holcomb, Angela	114.36
Holland, John	750.28
Horner, Kimberly	163.04
Hubert, Kelly R.	208.06
Hubert, Kelly R.	59.62

Hunsaker, Justin	320.24
Huston, Cheryl	50.80
Jeter, Fred & Shirley	201.68
Lewis, Kathleen	103.26
Lucien, Eileen	272.65
Lukesh, Pat (Estate)	52.97
Luna, Mandy & Raul	39.83
Maceda, Raul Rivera	105.28
Martinez, Ricardo Pureco	288.38
Martinez, Rita Martinez	117.19
Martinez-Ruiz, Hebario	85.49
Martinez-Ruiz, Hebario	10.02
McBride, Tim S.	84.66
McKinney, Cynthia & John	100.42
Morgan, Josh	295.10
Morigeau, Dawn	32.85
Moses, Maybelline M.	84.13
Mosquedo, Mario	28.07
Myers, Elizabeth	331.75
Myers, Shari	83.23
Nanamkin, Jill M.	688.81
Nelson, Mark	116.64
Neuneker, Frankie Jr.	51.08
Pfeifer, Leann	114.85
Pfeifer, Leann	106.35
Pfleger, Eric W.	52.15
Phillips, James	162.06
Phillips, Margaret	66.90
Plotke, R. Frank (Estate)	50.43
Price, Misty A.	91.08
Raschka, Jodi & Cumiskey, Ken	99.10
Reyes, Kizzy	157.72
Rojas, Xochitl Xhurape	42.67
Shaw, Derrick John	341.24
Simpson, James	77.42
Slater, Dona & John	155.43
Taylor, Jeff	39.56
TNT Internet	1,326.00
TNT Internet	1,680.00
Walsh, Cheryl	369.40
Total	\$14,440.70

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

Commissioner Johnson noted that 12 of the 77 accounts transferred as uncollectible are homeowners. In addition, Community Action Council has assisted 644 families and 998 remain on a waiting list. This information indicates to him a need to keep the rates down.

7. John Townsley - Washington Agriculture Forestry Leadership Foundation:

John Townsley addressed the Board on behalf of the Washington Agriculture Forestry Leadership Foundation. The Ag Forestry Leadership Foundation is a private, non-profit leadership development organization dedicated to advancing natural resource industries through enhanced understanding, education and empowerment of future leaders. Townsley encouraged the District to support the Foundation's activities with a financial contribution of \$1,500 and to encourage District employees and interested members of the public to enroll in the Ag Forestry Leadership program. Classes for the 18-month program commence in the fall of each year and are limited to 30 individuals. The program involves 58 days of seminars at universities and one international seminar. Over the years, 24 Okanogan County residents have graduated from the program. The deadline to apply for Class 28 is April 29, 2005. Additional information is available on the Ag Foundation's website at www.agforestry.org.

8. Methow Transmission Line Project EIS Information:

Commissioner Johnson submitted points of concern regarding a PowerPoint presentation recently created by Tetra Tech. The presentation summarized the July 2004 Loup Loup site visit with Potelco, USFS, Tetra Tech and PUD staff to discuss feasibility/environmental impacts of hot rebuild work. Included in the presentation were photos showing some of the existing access routes to the existing poles, as well as photos provided by Potelco showing the size and the type of equipment used for hot rebuilds. The photos will soon be available for viewing on the PUD's website at www.okanoganpud.org.

9. Public Comment:

Manager Berrie announced the Methow Transmission Project EIS public comment guidelines.

With regard to Commissioner Johnson's comment during the hot line rebuild presentation (that the replanting of native species would be better improved after restoration than what is now present), Rosie Hough asked Johnson if that held the same truth for the Pateros to Twisp alternative.

Doug Wilcox asked what the major landowners/developers will receive in exchange for granting a right of way to the PUD.

Co-op board member Nim Titcomb noted the importance of reliable service and power and his support of a loop system.

Carol Alexander asked how soon the District would expect to rebuild the Loup Loup line even if a line from Pateros to Twisp was installed. She felt the PUD, as a non-profit organization, was in direct competition with other fiber/broadband providers.

Maeyowa read excerpts of the former PUD Manager's 3-25-99 Methow Valley News editorial about the need to rebuild the existing Loup Loup line in about ten years. She noted that every alternative needs to consider upgrades.

Lorah Waters asked what the PUD has done to mitigate the potential threat of a catastrophic wildfire on the Loup Loup. She encouraged the PUD to be proactive and take a seat on the local Methow fire coordinating group.

Anaka Mines expressed concern that the proposed Pateros-Twisp transmission line would unnecessarily impact intact shrub-steppe habitat. She supported fixing the present transmission line system and concentrating on conservation.

10. Tacoma Land Development:

Staff provided the Board and members of the public the opportunity to view a map and ask questions pertaining to the Tacoma Land Company development in the French Creek/Bill Shaw Road vicinity. The map shows existing power lines, approximate location of the EIS Alternative #2 transmission line route, and the layout of 31 lots that are expected to have power this spring at Tacoma Land Company's expense.

11. Manager's Report:

The Manager's Report included the following information:

☐ Staff developed a short list of applicants and interviewed four of the firms that responded to the Request for Quotations for professional services to aid the District as primary consultant for licensing with the Federal Energy Regulatory Commission. The District expects to select a consultant and enter into a Professional Services Agreement by the end of April, which by that time the District anticipates hearing back on its Application for a Preliminary Permit. The District will most likely choose the Traditional Licensing Process because of its previous attempts to license the project. If the District elects to utilize that process, the District's attorney will submit a letter to FERC prior to the July 23, 2005 deadline stating the District's intentions.

☐ The proposed tour of the Tacoma Land Company development in the Bill

Shaw Road/French Creek area is tentatively scheduled for the week of April 11, 2005.

- ☐ Manager Berrie proposed for consideration the concept of an eighth alternative in the EIS process. As suggested by the public, this alternative would merge as a unique balance of competing interests the components of Alternatives 2 and 3 (Pateros-Twisp and Valley Floor routes). (Commissioner Johnson voiced an opinion against adding an additional alternative. For lack of interest, the Board did not advance the concept.)
- ☐ Operations Manager Doug Adams informed the Board that the District has a seat on the Okanogan River Basin Watershed Planning Committee that formed in August 2004. Adams will follow up at future meetings with updates on the committee's actions.

12. Public Comment:

Okanogan County Electric Cooperative Manager Roger Meader stated that after reviewing all routes and the DEIS, the Co-op Board supports the Pateros/Twisp line as the most reliable and economical route for existing and future businesses and for the safety of the community.

Esther Johnson supports the Pateros to Twisp circle line as the best choice for all.

George Wooten stated that the EIS was totally unnecessary as the people did not want it and did not want to pay for it. He noted that reliability in the Methow is already at the highest level in the State.

ISP provider Jeff Hardy expressed concern about the PUD wireless program and interest in being included in the PUD's telecom study.

Vicky Welch noted concern that a detailed cost estimate for the Methow transmission line project is not available on the web or in the DEIS. She would like the PUD to avoid shrub-steppe habitat.

13. Meetings:

Commissioner Johnson submitted proceedings of interest from the Washington PUD Association meetings he attended in Olympia on March 17-18, 2005. He also submitted items of interest from the Energy Northwest 2006 Budget Workshop he attended in Richland on March 22-23, 2005.

Commissioner Womack presented proceedings of interest from the Washington PUD Association meetings he attended in Olympia on March 17-18, 2005.

Commissioner Bolz attended a Board meeting of the Okanogan County Electric Cooperative in Winthrop on March 22, 2005.

The next Okanogan PUD Board meeting is scheduled for 8:30 a.m., April 5, 2005 at the Okanogan PUD Auditorium.

14. Executive Session:

President Bolz recessed the Commission into executive session at 9:40 p.m. to discuss personnel and potential litigation.

15. Union Contract:

President Bolz reconvened the Commission into regular session at 10:05 p.m.

Commissioner Womack moved, seconded by Commissioner Johnson, to adopt Resolution No. 1291 approving the Collective Bargaining Agreement between the District and Local Union No. 77 of the International Brotherhood of Electrical Workers. The current agreement between the District and the IBEW will expire on March 31, 2005. The negotiated successor agreement approved by the District Union employees will be in force from April 1, 2005 through March 31, 2008. The motion unanimously carried.

16. Tuppling Damage Claim:

Commissioner Johnson moved, seconded by Commissioner Womack, to authorize the Manager to sign the Settlement Agreement as presented by legal counsel with regard to the Tuppling damage claim. The motion unanimously carried.

17. Adjournment:

There being no further business to discuss, the meeting adjourned at 10:07 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary