

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
April 5, 2005
8:30 a.m.**

Present:

Board: Ernest Bolz, David Womack, Donald Johnson
Staff: Chuck Berrie, Derek Miller, Steve Brown, Julie Pyper
Other: Michael Howe - Legal Counsel
Public: Roberta Donnor & Chris Thew - The Chronicle;
Lorah Waters - OCDC
Kevan Roberts & Ron Wonch - DNR
John Newcom - USFS
Brian Kirchner, Vicky Welch, Maeyowa,

Summary Agenda

1. Call to Order
2. Additions/Deletions to Agenda
3. Approval of Minutes
4. Approval of Vouchers
5. Public Comment
6. Commission Meeting Schedule
7. Loup Loup Fire Safety Concerns/Maintenance Schedule
for Loup Loup Right-of-Way
8. Engineering Design Estimate (Okanogan to East Omak Reconductor)
9. Material and Breaker Modifications (Okanogan 115 Substation)
10. Reconductoring Loup Loup Line
11. Resolution No. 1292 - Authorizing the Manager to Approve Settlement
of Certain Claims and/or Accounts
12. Professional Services Agreement with Randall Kowalke
13. Manager's Report
14. Power Supply Report
15. Public Comment
16. Meetings
17. Executive Session
18. Adjournment

1. Call to Order:

President Bolz called the meeting to order at 8:34 a.m.

2. Additions/Deletions to Agenda:

Commissioner Johnson added as additional agenda items the maintenance schedule for the Loup Loup right-of-way and a request for proposals with timelines for reconductoring the Loup Loup line. Manager Berrie added a Professional Services Agreement with Randall Kowalke.

3. Approval of Minutes:

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the Minutes of the March 29, 2005 regular meeting.

Commissioner Johnson moved, seconded by Commissioner Womack, to amend Item 12 - Public Comment as follows:

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

The motion unanimously carried.

The motion to approve the March 29, 2005 Minutes as amended carried two to one with Commissioner Johnson opposed.

4. Approval of Vouchers:

Voucher No.'s 86330 through 86356 in the amount of \$186,705.85 and No.'s 86357 through 86398 in the amount of \$301,508.04 were approved for payment from the revenue fund.

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

5. Public Comment:

President Bolz and Manager Berrie announced the public comment guidelines.

Vicky Welch commended the Commissioners for having USFS John Newcom address the Loup Loup fire safety concerns.

6. Commission Meeting Schedule:

The May 3rd Board of Commissioners meeting was changed to May 10th at Commissioner Johnson's request.

Meetings in July were scheduled for the 5th and 26th.

7. Loup Loup Fire Safety Concerns/Maintenance Schedule for Loup Loup Right-of-Way:

John Newcom of the Forest Service was invited by the District to address some of the challenges and possible actions with regard to drought conditions and the Loup Loup fire safety concerns. He included in that discussion Lorah Waters

of the Okanogan County Development Council and Kevan Roberts and Ron Wonch of the Department of Natural Resources.

The PUD has a 100 foot right-of-way with the Forest Service for the approximately 4.5 miles of Loup Loup transmission line that runs through National Forest land administered by the Methow Valley Ranger District. A memo from the Forest Service dated 4-4-05 titled "Loup Loup Power Line Corridor Potential Fuels Reduction Projects" summarized timber sale projects that have accomplished some fuels reduction activity. Newcom stated that additional acreage adjacent to the power line corridor could be considered for further fuels reduction stand treatments, although funding to accomplish such a project is currently not available and either additional funding sources would need to be identified or current work plans would need to be re-prioritized. The approximate cost of this effort on National Forest land would be \$30,000 for planning and implementation of approximately 60 acres of fuels reduction thinning and slash disposal. A project of this sort could be analyzed and most likely categorically excluded from Environmental Assessment documentation under the Healthy Forest Initiative authorities.

Waters noted that the Loup Loup falls under critical infrastructure because it is the only line serving the Methow Valley. In that regard, the Methow Community Fire Plan Coordinating Group has formed in a collaborative effort to prioritize fuel reduction activity.

Roberts discussed the DNR's active fuel forest management plan within one mile of the Loup Loup line. He does not foresee the availability of additional DNR funding or manpower to assist with fuel reduction treatment.

Commissioner Johnson moved, seconded by Commissioner Womack, to direct the Manager to arrange representation on the Methow Community Fire Plan Coordinating Group and negotiate a Professional Services Agreement not to exceed \$30,000 with the Forest Service to initiate fuel reduction activity. The motion unanimously carried.

Chief Engineer Derek Miller submitted his recommendations/solutions for the Loup Loup fire safety in a memo dated 4-4-05: 1) As in past years, District personnel would meet in the field with both USFS and DNR staff to identify potential danger trees and receive authorization to remove same. 2) Consider cutting all trees adjacent to the line to a height that would prevent their hitting the line if they fell. 3) Invest in a pole fire retardant coating such as the Osmose Fire-Guard product. 4) Increase line patrols, as much as one per month, to look for any potential hazards. Order 20 to 40 poles in the height range of 55 foot to 65 foot as insurance against extension Loup line fire damage.

Miller noted that discussions with Osmose placed the cost at \$70 to \$100/per pole, or an estimate of \$12,000 to \$17,500 for the 13 miles of forested Loup Loup line; however, the fire retardant product is mainly designed for grass type fires and an alternative to killing all vegetation around the pole base. If a forest fire were to start in the Loup Loup forest, the major problem would be trees falling across the line.

Commissioner Johnson moved, seconded by Commissioner Bolz, to direct the Manager to adopt the Chief Engineer's recommendations/solutions (memo dated 4-5-05) for Loup Loup fire safety as District policy with the following modifications: Eliminate recommendation #2. Regarding increased line patrols (recommendation #4), delete "as much as one per month". Insert "at least one pre-fire season and one post fire season (pre-winter) examination" to look for any potential hazards. The motion unanimously carried.

Commissioner Womack moved, seconded by Commissioner Johnson, to direct staff to evaluate the effectiveness of the pole fire retardant plan and incorporate it into future budget and maintenance plans where appropriate. The motion unanimously carried.

Commissioner Bolz moved, seconded by Commissioner Womack, to direct staff to develop a fire contingency plan for the Loup Loup line and other radial lines as necessary. The motion unanimously carried.

8. Engineering Design Estimate (Okanogan to East Omak Reconductor): Chief Engineer Miller presented a proposal for HDR Engineering, Inc. to conduct preliminary field investigation work and prepare an electronic design for rebuild of the Omak to Okanogan 115kv line. The estimated cost of \$57,614 is an increase of \$47,614 over the \$10,000 budgeted for reconductoring consulting services.

Commissioner Johnson moved, seconded by Commissioner Womack, to authorize a Professional Services Agreement with HDR Engineering, Inc. and authorize an increase in the budget of \$47,614 for a total of \$57,614 (Omak to Okanogan 115kv line rebuild). The motion unanimously carried.

9. Material and Breaker Modifications (Okanogan 115 Substation): Chief Engineer Miller presented a proposal to modify the previously approved budget item for material and breaker modifications to the Okanogan 115kv substation by \$25,000 (from \$56,000 to \$81,000). The replacement of additional breakers will provide enhanced system protection and monitoring, and will make the four relays for the 115kv breakers in Okanogan the same and SCADA ready. To accomplish these objectives, Miller also requested approval to enter into a Professional Services Agreement with Electrical Consultants, Inc. in the amount of \$55,000 for consulting services to design and set relay settings for both new relays.

Commissioner Womack moved, seconded by Commissioner Johnson, to accept the recommendation of the Chief Engineer to authorize a Professional Services Agreement with Electrical Consultants, Inc. for \$55,000 for design work and an additional budget increase of \$25,000 for material to accomplish the addition of two new relays to the Okanogan 115kv substation. The motion unanimously carried.

10. Reconductoring Loup Loup Line:

Commissioner Johnson moved for the Manager to approach CAI or in some other manner obtain a comprehensive cost estimate (request for proposals) with timelines for reconductoring hot or cold the Loup Loup transmission line. Commissioner Womack seconded the motion for discussion purposes and stated that he will support a RFP for line design at the time a route is chosen. Commissioner Bolz stated that project objectives for each alternative must be met, and although there has been a lot of discussion about costs, improved estimates are not necessary as the Board will not be making their decision on cost alone. Upon the vote, the motion failed two to one with Commissioners Bolz and Womack opposed.

11. Resolution No. 1292 - Authorizing the Manager to Approve Settlement of Certain Claims and/or Accounts:

In response to last meeting's discussion, Attorney Howe drafted Resolution No. 1292 authorizing the Manager to approve the settlement of certain claims and/or accounts.

Commissioner Womack moved, seconded by Commissioner Johnson, to adopt Resolution No. 1292 authorizing the Manager to grant final approval to the settlement of disputed or contested claims or accounts that do not exceed the sum of \$2,500. The motion unanimously carried.

12. Professional Services Agreement with Randall Kowalke:

Manager Berrie requested authorization to increase the Professional Services Agreement with Randall Kowalke to \$30,000. Kowalke will be utilized as a temporary contract employee as he continues to assist the District during the telecom review study.

Commissioner Womack moved, seconded by Commissioner Bolz, to extend Randall Kowalke's Professional Services Agreement in an amount not to exceed \$30,000. The motion unanimously carried.

13. Manager's Report:

The Manager's Report included the following information:

- Energy Northwest is negotiating another bid on the District's behalf for the sale of "Green Tags" attributable to the Nine Canyon Wind Project.
- The proposed tour of Tacoma Land Company's French Creek/Bill Shaw Road development has been cancelled. Management may still organize a tour for

members of the press if enough interest is shown.

- Manager Berrie will schedule a tour for the Board on April 19-20 of the Avista Energy trading floor in Spokane and the natural gas combustion turbine generation facility in Rathdrum, Idaho. He will arrange a future tour of Chelan County PUD's Operations Center.

14. Power Supply Report:

Manager Berrie presented the following information:

- The most recently available water forecast indicates a 6% improvement over the previous forecast in anticipated stream flows at Grand Coulee Dam on the Columbia River. This increase is a result of the late March snowfall.
- March revenue from the sale of wholesale surplus power was \$300,000 over budget projections. Retail sales figures were not available so the total net income from sales has yet to be determined. A quarterly report will be presented at the April 19th meeting.

15. Public Comment:

Maeyowa is opposed to spending additional funds with Tetra Tech because she feels their work has been insufficient. When looking at project objectives, she believes the PUD has not put equal emphasis on each alternative. She asked about the timeline for reconductoring other distribution lines.

Vicky Welch supported sending letters to the Governor and State Legislature with regard to the Loup Loup fire safety concerns. She said it was reported prior to the DEIS that Alternative #2 was the only alternative that met the objectives. She feels this was based on false presumptions, and she was concerned that no public comment was allowed on the matter at the previous meeting.

16. Meetings:

The next Okanogan PUD Board meeting is scheduled for 8:30 a.m., April 19, 2005 at the Okanogan PUD Auditorium.

17. Executive Session:

President Bolz recessed the Commission into executive session at 11:55 a.m. to discuss litigation, property and personnel, with no official action expected.

18. Adjournment:

President Bolz reconvened the Commission into regular session at 1:25 p.m.

There being no further business to discuss, the meeting adjourned at 1:25 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary