

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

**Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
May 10, 2005  
8:30 a.m.**

**Present:**

**Board:** Ernest Bolz, David Womack, Donald Johnson  
**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Derek Miller, Dan Boettger, Steve Brown, Julie Pyper  
**Other:** Michael Howe - Legal Counsel  
**Public:** Brian Kirchner, Robin Stice, Maurice Goodall, Chris Thew, Bob Williams, Jason Dodgen, Bill Swayze

**Summary Agenda**

1. Call to Order
2. Additions/Deletions to Agenda
3. Public Comment
4. Railroad Licenses
5. Professional Services Agreements
6. Manager's Report
7. Power Supply Report
8. Public Comment
9. Meetings
10. Approval of Minutes
11. Approval of Work Orders
12. Approval of Vouchers
13. Approval of Transfer of Accounts
14. Executive Session
15. Adjournment

**1. Call to Order:**

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

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

Manager Berrie added to the agenda a report on Professional Services Agreements and rescheduling of the telecom review workshop.

The agenda was accepted as changed.

### **3. Public Comment:**

Robin Stice of Eden Valley Guest Ranch presented information on the farming/guest ranch business she operates in the Highlands area for the Board's consideration with regard to future rate changes. After three years of operation, she feels she has demonstrated that her business is not a peak load for the region and should qualify as residential rather than commercial.

Maurice Goodall asked for reconsideration of the PUD invoice he received as a result of an irrigation pump electrical fire. He believes the fire started at the back side of the meter base, and it was his understanding that the PUD would cover the drop line from the weather head.

### **4. Railroad Licenses:**

Director of Finance Don Coppock presented a proposed Letter Agreement between the District and Railroad Management Company with regard to right-of-way licenses held by Okanogan County PUD. The Agreement provides for payments of \$18,943.00 on May 17, 2005 and \$18,942.00 on January 31, 2006 for all licenses invoiced or to be invoiced between July 1, 2002 and June 30, 2007. A verbal agreement calls for annual payments after June 30, 2007 of \$7,600.00 plus a 3% per year increase. It is the staff's recommendation to approve the Letter Agreement as presented and review at a later date the payment terms after June 30, 2007.

Commissioner Johnson moved, seconded by Commissioner Womack, to authorize the Manager to sign an Agreement with Railroad Management Company for renewal of right-of-way licenses, which provides for payments of \$18,943.00 on May 17, 2005 and \$18,942.00 on January 31, 2006 for all licenses invoiced or to be invoiced between July 1, 2002 and June 30, 2007. The motion unanimously carried.

### **5. Professional Services Agreements:**

Manager Berrie reported that the District is developing a Professional Services Agreement with Jantz Energy Missions for the primary purpose of assisting with negotiations involving the Wells Dam relicensing project and other future task orders as may be designated. The contract not to exceed \$50,000.00 is being negotiated for the Board's approval at the May 24th meeting.

Entrix, Inc. was retained as the primary consultant for the Enloe Dam Hydroelectric Project. The Professional Services Agreement not to exceed \$25,000.00 calls for Entrix to prepare a detailed Project Work Plan, Strategic Licensing Plan, and a detailed budget estimate for the licensing effort.

A Professional Services Agreement in an amount not to exceed \$25,000.00 was entered into with Water and Energy Services Corporation to assist in the management and preparation of the FERC license application for the Enloe Dam Hydroelectric Project.

## 6. Manager's Report:

Manager Berrie's report included the following information:

- A Request for Quotations to test District transformers for PCBs went out for bid.
- Osmose Utility Services, Inc. started work today on pole testing. The Loup Loup line will be the first area to be tested.
- Staff is evaluating bids received in response to a Request for Quotations for a GIS mapping system. It is anticipated that the selected respondent will deliver a presentation at the May 24th Commission meeting.
- The Forest Service anticipates completing within the next couple of months the review process to finalize the agreement with the PUD to initiate fuel reduction activity on the Loup Loup transmission line right-of-way.

The Methow Community Fire Plan Coordinating Group has met on site to begin discussions regarding the Loup Loup corridor. Pictures taken of the right-of-way area were reviewed, and it was noted that the PUD is setting up crews to mark trees inside and outside of the corridor to clear the PUD's 100' right-of-way.

During this discussion, Commissioner Johnson expressed a desire to raise questions from the notes of the Fire Plan meeting and field trip. It was pointed out that the report was drafted by Lorah Waters, who is not present today, and that she sent it out late yesterday to Commissioners Johnson and Bolz and a few PUD staff who saw the draft only when they came in this morning. The report is a working draft of notes and has not yet been reviewed and edited by the agencies and persons involved in the Fire Plan meeting and tour. That said, Commissioner Johnson persisted and offered that the notes of the Fire Plan meeting suggested that the PUD did not have adequate staff to identify the fire hazards, and that the agencies wanted to avoid any liability associated with their participation in identifying those hazards for removal. In light of that information, he supported the suggestion in the notes that the PUD arrange for a Professional Services Agreement with a certified Forester to identify fire hazards associated with the right-of-way prior to arrangements for their removal. He felt this was necessary and should be done as soon as possible to best protect the transmission line, as well as the resources of all concerned.

Dan Boettger will review permitting and other requirements with regard to the line and report back to the Board.

- A DirecTV press release announced a satellite launch that occurred on April 26th. The District's fiber backbone system was instrumental in the successful launch of the satellite coordinated at the Verestar site.
- The District recently conducted a helicopter videotaping of the existing and proposed transmission line routes. The video will soon be available on DVD for interested parties.
- The Commissioners were asked to provide the Manager with any input they would like staff to address in the capital budget planning process.
- Staff recently toured Chelan PUD's Technology Control Center.
- Several instances have emphasized the need to properly remind all three-phase customers by written notice of the need to provide protective relaying of their equipment in the event of a phase failure.

#### **7. Power Supply Report:**

Manager Berrie reported that revenue from sales of wholesale and retail power for April is \$170,000.00 below budget forecasts, but year to date sales are still \$700,000.00 over budgeted amounts.

#### **8. Public Comment:**

Brian Kirchner asked if the Potelco equipment slides were on the District's website.

#### **9. Meetings:**

Commissioner Johnson submitted a report from the Energy Northwest Board of Directors' Meeting he attended in Richland on April 26-27, 2005.

The Commission scheduled a special meeting at 4:00 p.m., May 18, 2005 at the Okanogan PUD Auditorium to review information presented by Sparling, Inc. on the progress to date of the telecom study.

The next regular meeting of the Okanogan PUD Board of Commissioners is scheduled for 6:00 p.m., May 24, 2005 at the Okanogan PUD Auditorium.

#### **10. Approval of Minutes:**

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the Minutes of the April 19, 2005 regular meeting.

The motion unanimously carried.

#### 11. Approval of Work Orders:

The following work orders were submitted for approval:

04-0003	William Rogers, 796 Hwy. 7	\$715.00
04-0322	Brian Boesel, Malott Eastside Rd. (Rev. #1)	5,089.00
04-0568	Vonda Long, Silver Hill	4,071.00
05-0003	John Williams, 96 Palmer Ave., Loomis	622.00
05-0078	Craig Brownlee, Eastlake Rd., Oroville (Rev. #1)	5,632.00
05-0097	William Penley, 15 Penley Rd.	1,494.00
05-0100	District, Barnholt Loop Rd.	5,033.00
05-0108	Stan Allen, Hwy. 97 -- .5 mi. past mile marker 277	2,657.00
05-0112	Bill Robertson, 72 Westlake Rd., Oroville	744.00
05-0114	Greg Helm, 46 C Gayes Point Rd., Oroville	1,888.00
05-0115	Bob Tollefson, Hwy. 97 -- S. of Oroville	2,753.00
05-0121	Keith Johnson, 815 Bridge St.	761.00
05-0124	Jaqueline Watts, 105 Patterson Creek Rd.	4,153.00
05-0125	District, Hwy. 97 -- .5 mi. past mile marker 277	545.00
05-0135	Chris Goodwin, 4 Dixon Rd.	1,226.00
05-0138	Scott Larson, 72 Libby Creek Rd.	2,509.00
05-0145	Andy Peterson, 239 Robinson Canyon Rd.	862.00
05-0152	District, 4000 Circuit	28,464.00
05-0156	District, Malott Eastside Rd.	1,527.00
05-0164	District, Vinton Rd.	2,696.00
05-0170	District, Tonasket Airport Rd.	4,285.00
05-0171	Tom Beall, 78 Hanson Rd. -- .5 mi. past Malott Sub.	1,996.00
05-0172	Hank's Market, 413 Methow Valley Hwy. E.	3,641.00
05-0177	District, Conconully State Park	2,255.00
05-0179	District, Gold Creek	646.00
05-0180	Jim Bucsko, 12 Dixon Rd., Omak	988.00
05-0182	Jess Botello, Greenacres Rd., Omak	2,436.00
05-0183	Jess Botello, Greenacres Rd., Omak	2,925.00
05-0185	District, McFarland Creek	2,197.00
05-0186	District, N. Pine Creek Rd.	688.00
05-0188	District, Copple Rd.	3,016.00
05-0189	Dennis Grimmer, 1843 Oroville-Loomis Rd.	1,181.00
05-0190	Craig Bunney, 900 Methow Valley Hwy. E. Twisp	7,329.00

05-0191 District, Methow Valley Hwy., Twisp	1,873.00
05-0193 Jim Hall, 130 Hwy. 153	2,158.00
05-0239 Teddy Rife, 19 Hanson Rd.	4,567.00
Total	\$115,622.00

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

## 12. Approval of Vouchers:

Voucher No.'s 86587 through 86588 in the amount of \$105,290.16, No.'s 86589 through 86629 in the amount of \$1,315,312.48, No.'s 86630 through 86655 in the amount of \$188,382.33, No.'s 86656 through 86678 in the amount of \$239,652.20, No.'s 86679 through 86768 in the amount of \$448,783.71, and No. 86769 in the amount of \$84,067.66 were submitted for payment from the revenue fund.

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

## 13. Transfer of Accounts:

The following account/invoice was submitted for write-off/collection due to nonpayment:

One Way Construction Invoice #3588 \$2,103.50

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

## 14. Executive Session:

President Bolz recessed the Commission into executive session for one hour at 10:35 a.m. to discuss personnel and litigation. At 11:30 a.m. the Commission reconvened into regular session and immediately recessed back into executive session. President Bolz reconvened the Commission into regular session at 12:10 p.m.

Commissioner Womack moved, seconded by Commissioner Johnson, to accept the staff recommendation of a step salary increase effective June 1, 2005 for three employees. The motion unanimously carried.

## 15. Adjournment:

There being no further business to discuss, the meeting adjourned at 12:10 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary