

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

**Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
July 26, 2005  
6:00 p.m.**

**Present:**

**Board:** Ernest Bolz, David Womack, Donald Johnson  
**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Larry Felton, Dan Boettger, Debra Peters, Steve Brown, Julie Pyper  
**Other:** Michael Howe - Legal Counsel  
**Public:** Jeremy Pratt - Entrix, Inc.  
Kurt Danison;  
Lael Duncan - Okanogan County Community Action Council;  
Chris Thew, Ted Ford, David Schwilke, Ellie Siltman,  
Maria Converse, Jeff Hardy

**Summary Agenda**

1. Call to Order
2. Additions/Deletions to Agenda
3. Public Comment
4. Okanogan County Community Action Council/40th Anniversary
5. Entrix, Inc./Professional Services Agreement
6. NoaNet Discussion
7. Conservation Loan Agreement Update
8. Resolution No. 1300/Declaring Surplus Equipment
9. Wells Hydroelectric System Revenue and Refunding Bonds
10. Manager's Report
11. Power Supply Report
12. Public Comment
13. Meetings
14. Approval of Minutes
15. Approval of Work Orders
16. Approval of Vouchers
17. Approval of Transfer of Accounts
18. Executive Session
19. Adjournment

**1. Call to Order:**

President Bolz called the meeting to order at 6:00 p.m.

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

President Bolz postponed until the next meeting discussion on Draft Resolution No. 1297 amending rules and procedures of Board meetings and Draft Resolution No. 1299 directing the audio recording of Board meetings.

## **3. Public Comment:**

Ted Ford discussed his concern with a payment agreement he signed with the District following receipt of a letter stating that he was responsible for the balance on closed account #27877-0 in the amount of \$633.27. He explained that a guarantor card he previously signed on a different account had been inadvertently transferred to the account in question. The Board agreed to take the matter under review.

## **4. Okanogan County Community Action Council/40th Anniversary:**

Lael Duncan, Okanogan County Community Action Council Executive Director, thanked the District for its past support. In honor of OCCAC's 40th anniversary, a \$10,000,000 endowment fund is being established over the next seven years as a permanent resource for funding to support future projects. Duncan encouraged the District and its staff to continue their involvement by participating in fundraising activities.

## **5. Entrix, Inc./Professional Services Agreement:**

PUD Power Resource Engineer Larry Felton and Jeremy Pratt of Entrix, Inc., Project Manager for the Enloe Dam Hydroelectric Project, addressed the scope of work and proposed July through December 2005 budget associated with the licensing process.

The Board tabled discussion of a staff recommendation to authorize a Professional Services Agreement with Entrix, Inc. in an amount not to exceed \$300,000 pending review of the materials and Initial Consultation document filed with the FERC.

## **6. NoaNet Discussion:**

As part of ongoing efforts to evaluate Northwest Open Access Network's financial condition and operations and its future potential and challenges, the NoaNet Board of Directors appointed a task force to examine and make recommendations regarding governance structure, business plan and strategic planning. At its August 10 meeting, the NoaNet Board will be asked to adopt, subject to member approval, a resolution approving amendments to the

Articles of Incorporation, Bylaws, and other documents, implementing the recommendations of the task force. The NoaNet members will consider the proposed amendments at the September 14 meeting.

#### **7. Conservation Loan Agreement Update:**

Debra Peters and Steve Brown presented information on the cost of administering the Conservation Loan Program and the proposed changes to the loan documentation to clarify the issue of how the 0.2% service fee is applied on conservation loans.

Following discussion, the Board directed staff to revise the conservation loan documentation to disclose the service fees but eliminate any reference to a percentage fee. The Board will consider during next year's budgeting process how the Conservation Loan Program might best be promoted.

#### **8. Resolution No. 1300/Declaring Surplus Equipment:**

The Board considered Resolution No. 1300 declaring as surplus equipment three pad-mount transformers and authorizing the sale thereof pursuant to an attached Agreement for Intergovernmental Disposition of Property. Following review, Attorney Howe advised that paragraph six of the Agreement, relating to RCW compliance with hearing and notice requirements, was not applicable because it applies to sales in excess of \$50,000. The Board agreed to strike paragraph six from the Agreement.

Commissioner Womack moved, seconded by Commissioner Johnson, to adopt Resolution No. 1300 as amended. The motion unanimously carried.

#### **9. Wells Hydroelectric System Revenue and Refunding Bonds:**

Manager Chuck Berrie requested a motion to ratify his signature authority to the Certificate of Okanogan PUD in connection with the issuance by Douglas PUD of its Wells Hydroelectric System Revenue and Refunding Bonds, Series 2005B.

Commissioner Womack moved, seconded by Commissioner Johnson, to ratify the Manager's signature in approval of the Certificate in connection with the issuance by Douglas PUD of its Wells Hydroelectric System Revenue and Refunding Bonds, Series 2005B. The motion unanimously carried.

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

Testing of the District's oil-filled equipment for PCBs is in progress.

Phase I of Tacoma Land Company's French Creek development project has been plowed with cable/conduit.

Staff is working on budgeting for 2006 and beyond a five-year capital project plan.

Staff reviewed engineer staffing requirements and requested approval to hire a Distribution Engineer to fill a vacancy that will be created by an upcoming retirement. The Board approved the request to hire a Distribution Engineer.

#### **11. Power Supply Report:**

Larry Felton reported that for the first six months of 2005, revenue from the sale of wholesale and retail power exceeded budget forecasts by \$0.94 million.

#### **12. Public Comment:**

No public comment was offered.

#### **13. Meetings:**

The next Okanogan PUD Board meeting that was scheduled for August 9, 2005 has been rescheduled to 12:30 a.m., August 2, 2005 at the Okanogan PUD Auditorium.

Commissioner Johnson submitted Proceedings of Interest from the WPUDA Round Table and Board meetings that he attended in East Wenatchee on July 14-15, 2005.

Commissioner Womack reported that the WPUDA Board of Directors voted 19-10 in support of building the larger Association office building at the meeting he attended on July 14-15, 2005.

Commissioners Johnson and Womack attended individual informational meetings with the Board of Directors of the Okanogan County Electric Cooperative on July 19, 2005.

#### **14. Approval of Minutes:**

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the Minutes of the July 5, 2005 regular meeting.

The motion unanimously carried.

#### **15. Approval of Work Orders:**

The following work orders were submitted for approval:

05-0095	Mark Mitzelfeldt, Hwy. 20	\$15,946.00
05-0187	Betty Vincent, 183 Neal Circle Rd. S.	6,682.00
05-0195	Don McMeekin, 428 Nealy Rd.	2,842.00
05-0227	Michael Graves, Benson Creek	4,009.00
05-0234	District, Danker Cutoff Rd.	6,405.00
05-0246	District, Omak Machine Shop	973.00
05-0264	Eric Timm, 415 Conconully Hwy. (Rev. #1)	790.00
05-0286	Animal Hospital of Omak, 132 Columbia St., Omak (Rev. #1)	1,470.00
05-0298	Craig & Debra Caudle, 1155B Chesaw Rd.	9,294.00
05-0305	Roy Webster, 647 S. 2nd, Okanogan	614.00
05-0308	Garold & Tina Sleeth, 364 Swanson Mill Rd.	658.00
05-0310	Jack Williams, 1073 Havillah Rd.	5,301.00
05-0311	Howard Robinson, Hwy. 7, Tonasket	2,733.00
05-0313	Helensdale Irrigation Dist., Okanogan St., Malott	713.00
05-0319	Harry Koski, Kirkpatrick Rd.	4,225.00
05-0320	Caribou Trail Contractors, 1140 Malott HUD Housing	756.00
05-0325	Diane Engh, 76B Westlake Rd., Oroville	1,680.00
05-0328	District, Pleasant Valley	904.00
05-0335	Glenn Zanitti, Lookout Trail Rd.	5,778.00
05-0342	Luvon and others, Marmot Bench Lane	4,978.00
05-0345	District, Omak	1,233.00
05-0346	Sam Quiroz, 31 Main Rd.	3,209.00
05-0347	District, Shellrock Pump	2,355.00
05-0348	Carolyn Clappsaddle, Neal Canyon Rd.	6,517.00
05-0349	Clifford Lake, 150 Tamarack Lane, Tonasket	3,573.00
05-0352	Kathy Stafford, 73 Epley Rd.	1,284.00
05-0353	Abe & Shirley Gotzke, Westlake Rd.	962.00
05-0356	District, Fletcher Mtn. Rd., Molson	3,653.00
	Total	\$99,537.00

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

#### 16. Approval of Vouchers:

Voucher No.'s 87569 through 87593 in the amount of \$195,780.45, No.'s 87594 through 87664 in the amount of \$255,953.39, No. 87665 in the amount of \$82,761.77, No.'s 87666 through 87793 in the amount of \$396,434.67, No. 87794 in the amount of \$88,892.55, No.'s 87795 through 87823 in the amount of \$185,260.19, and No.'s 87824 through 87896 in the amount of \$1,156,162.44 were submitted for payment from the revenue fund.

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

#### 17. Transfer of Accounts:

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

Arevalo-Martinez, Elpidio	\$128.85
Best, Christina	101.13
Bjornstad, Irwin (Estate)	92.14
Burgess, Sidney	125.20
Castellanos, Juana	53.31
Edwards, Tracey Invoice #3831	12,009.64
Goodwin, Matt	167.03
Louis, Veronica	42.98
Lovejoy, Clyde (Estate)	1,051.70
Menard, Tammy A. & Laura	55.00
Miles, William E. (Estate)	153.11
Ochoa, Isaura	36.54
O'Neil, Debbie & Robert	109.29
Ray, Donald S.	30.46
Ruiz, Robert Jr.	189.16
Smith, Elizabeth (Estate)	274.25
Somers, Mike	309.78
Total	\$14,929.57

Attorney Howe advised that he represents the estate of Irwin Bjornstad and funds are available to pay the sum of \$92.14 owed the PUD. Commissioner Johnson moved, seconded by Commissioner Womack, to approve the account transfers (excluding the Bjornstad estate). The motion unanimously carried.

#### **18. Executive Session:**

President Bolz recessed the Commission into executive session at 8:15 p.m. for approximately 45 minutes to discuss litigation and property, with possible action to be taken.

President Bolz reconvened the Commission into regular session at 9:00 p.m.

Commissioner Johnson moved, seconded by Commissioner Womack, to authorize the Manager to enter into an agreement to suspend the current settlement agreement with Cummins Northwest, Inc. until early September 2005. The motion unanimously carried.

#### **19. Adjournment:**

There being no further business to discuss, the meeting adjourned at 9:20 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary