

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

Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
September 6, 2005
12:30 p.m.

Present:

Board: Ernest Bolz, David Womack, Donald Johnson
Staff: Chuck Berrie, Doug Adams, Don Coppock, Dan Boettger, Warren
Miller, Steve Brown, Julie Pyper
Other: Michael Howe - Legal Counsel
Public: Chris Thew, Vicky Welch

Summary Agenda

1. Call to Order
2. Additions/Deletions to Agenda
3. Public Comment
4. Customer Inquiry re: Wireless System
5. Executive Session
6. Electrical Consultants, Inc. Professional Services Agreement/
Spill Prevention Control & Countermeasure
7. NoaNet Restructuring/Resolution No. 1301
8. EIS Update/Tetra Tech Budget
9. Transmission Issues Group & Grid West Discussion
10. Approve Agreement with BPA to Self-Supply Operating Reserves
11. Extension of Current Agreement with Cummins Northwest, Inc.
12. Customer Letter re: Billing Policy
13. Manager's Report
14. Power Supply Report
15. Okanogan County Community Action Council/
Presentation of Plaque to OKPUD
16. Watt's Up Issue 05-4 Discussion
17. Public Comment
18. Meetings
19. Approval of Minutes
20. Approval of Work Orders
21. Approval of Vouchers
22. Approval of Transfer of Accounts
23. Adjournment

1. Call to Order:

President Bolz called the meeting to order at 12:30 p.m.

2. Additions/Deletions to Agenda:

President Bolz added a discussion in response to a customer's letter concerning the PUD's billing cycle. Commissioner Johnson requested to make a presentation on behalf of the Okanogan County Community Action Council and added a discussion on the Watt's Up newsletter. The agenda was accepted as amended.

3. Public Comment:

No public comment was offered.

4. Customer Inquiry re: Wireless System:

Telecom Manager Warren Miller responded to an inquiry to Commissioner Bolz from Phil Baker regarding the possibility of Pickens Mountain as a wireless location. Mr. Miller advised the Board that the District has investigated the feasibility of Pickens Mountain; however, no site has been selected.

5. Executive Session:

The Board reviewed the current meeting schedule, which begins with public comment followed by an executive session not to exceed one hour. After considering the inconvenience to the public by not knowing the exact time the meeting will reconvene after executive session, it was agreed that the meeting schedule would be changed to convene at 12:30 p.m. with executive session as the first agenda item followed by regular session and public comment at 1:30 p.m.

President Bolz recessed the Commission into executive session for 50 minutes at 12:40 p.m. to discuss property and litigation issues.

President Bolz reconvened the Commission into regular session at 1:30 p.m.

6. Electrical Consultants, Inc. Professional Services Agreement/Spill Prevention Control & Countermeasure:

As a follow up to last meeting's discussion, Director of Regulatory and Environmental Affairs Dan Boettger presented an Agreement for Professional Services with Electrical Consultants, Inc. in the amount of \$60,244.80 for Spill Prevention Control and Countermeasure plans.

Commissioner Womack moved, seconded by Commissioner Johnson to authorize the Manager to enter into a Professional Services Agreement with Electrical

Consultants, Inc. for the purposes of evaluating various sites as presented to the Board and to develop Spill Prevention Control and Countermeasure plans and construction cost estimates, with the estimated project cost not to exceed \$60,244.80. The motion unanimously carried.

7. NoaNet Restructuring/Resolution No. 1301:

The Board considered Resolution No. 1301 approving amendments to the Articles of Incorporation and Bylaws of Northwest Open Access Network and authorizing the execution of a Consent thereto.

Commissioner Womack moved to adopt Resolution No. 1301. Commissioner Johnson seconded the motion and recommended amending paragraph 4. to add the following statement: provided, however, this is not an approval for direct assessments against the District without prior Board approval. The motion to adopt Resolution No. 1301 as amended unanimously carried.

8. EIS Update/Tetra Tech Budget:

Dan Boettger presented a budget update pertaining to the Methow Transmission Line Project Environmental Impact Statement. The District's EIS consultant Tetra Tech is estimating that an additional \$64,251 is needed over the May 11, 2004 estimate. The new anticipated total of \$998,686 includes a previous forecast of \$37,550 plus the new forecast of \$26,701.

The Forest Service is reviewing estimates and will submit at a later date a second revision to the Methow Power Line Project Memorandum of Understanding.

Commissioner Johnson requested a detailed, itemized list and rationalization for the proposed budget increase. In preparation for the release of the Final EIS in two to three months, the Board requested to begin reviewing comments and responses as soon as available, perhaps by the end of the month.

9. Transmission Issues Group & Grid West Discussion:

Manager Chuck Berrie submitted Bonneville Power Administration documentation on the future of the Northwest grid and noted that the Public Power Council is very focused on the issue. For the last decade, Northwest utilities have been considering ways to improve operation and management of the Northwest transmission system. BPA is seeking comments on two alternative strategies. One option, the Transmission Improvements Group (TIG) approach, would work primarily through multilateral contracts and, to the extent possible, through existing organizations. The other, the Grid West approach, would work through a new transmission entity.

The Board requested the matter be listed on the next meeting agenda to allow for further study.

10. Approve Agreement with BPA to Self-Supply Operating Reserves:

Manager Berrie requested authorization to enter into Amendment No. 1 to the Operating Reserves Aggregation Agreement, which the District participates in for the purpose of using its individual BPA Slice resource to self-supply Operating Reserves. The amendment provides for the addition of Benton PUD to the Aggregated Group effective October 1, 2005 and to make other modifications to the Base Agreement. The amendment also requires a Letter Agreement with BPA dealing with management of the Slice Agreement related to aggregated self-supply of Operating Reserves.

Commissioner Johnson moved, seconded by Commissioner Womack to authorize the Manager to sign Amendment No. 1 to the Operating Reserves Aggregation Agreement and a Letter Agreement with BPA dealing with management of the Slice Agreement related to aggregated self-supply of Operating Reserves.

11. Extension of Current Agreement with Cummins Northwest, Inc.

Manager Berrie reported that Cummins Northwest, Inc. has requested a 30-day extension of the Temporary Suspension to the Settlement Agreement to continue working on documentation.

Commissioner Johnson moved, seconded by Commissioner Womack, to approve an extension of the Temporary Suspension to the Settlement Agreement with Cummins Northwest, Inc. up to 30 more days. The motion unanimously carried.

12. Customer Letter re: Billing Policy:

The Board and staff discussed a letter from Ron Nielsen asking for a review of the District's billing policy, specifically an increase in time between the billing date and due date.

Staff was asked to provide a follow-up letter to the customer advising that a normal billing cycle allows for a 15-day grace period after the current billing date and that he might consider the available level pay option.

13. Manager's Report:

- Director of Operations Doug Adams presented a follow-up report on composite core conductors. This new wire technology is a developmental product with no warranty. The Board deferred further investigation at this time.
- Staff provided the Board with details on the planned demonstrations the

District will be conducting at this year's county fair.

14. Power Supply Report:

Manager Berrie reported on the following:

- The District is reviewing an agreement to sell additional green tags from the Nine Canyon project for the period July 14 through December 31, 2005, for a revenue increase of \$33,000 (total \$58,000).
- Revenue from sales of wholesale power is slightly below budget forecasts for August.
- Staff is working on contractual issues with BPA regarding the Tribal Mill load and allocation of additional resources due to the Wells Settlement Agreement.
- Line loss calculations on the Loup Loup transmission line have been updated.

15. Okanogan County Community Action Council/Presentation of Plaque to OKPUD:

On behalf of the Okanogan County Community Action Council Board, Commissioner Johnson presented the District with a plaque of appreciation. The award was made at OCCAC's 40th anniversary celebration in recognition of Okanogan PUD's outstanding commitment as a conservation partner through the Match Maker and Project Help programs.

16. Watt's Up Issue 05-4 Discussion:

Commissioner Johnson discussed his concern with the context of the staff's article on Northwest power rates and salmon runs featured in the latest issue of Watt's Up. It was pointed out that the predicted BPA rate increase has become a rate decrease and now it has been determined that the predicted decrease in survival of downstream migrants was instead an increase in their survival.

Following discussion, it was agreed that controversial topics in future Watt's Up issues will be reviewed by the Board prior to publishing.

17. Public Comment:

No public comment was offered.

18. Meetings:

Commissioner Bolz reported that he attended a Board of Directors meeting of the Northwest Open Access Network in Seattle on September 13, 2005.

Commissioners Bolz and Womack will attend the September Association meetings of the Washington PUD in North Bonneville on September 15-16, 2005.

Commissioners Johnson and Bolz plan to attend the Energy Northwest Member Forum in Richland on September 22-23, 2005.

The next Okanogan PUD Board meeting is scheduled for 12:30 p.m., September 20, 2005 at the Okanogan PUD Auditorium.

19. Approval of Minutes:

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the Minutes of the August 23, 2005 regular meeting.

The motion unanimously carried.

20. Approval of Work Orders:

The following work orders were submitted for approval:

04-0521	Pete Peterson, Old 97	\$5,081.00
05-00&02	Kevin Terris, 1957 N. Pine Creek Rd.	2,311.00
05-02&03	Chuck Williams, 7 Goldmine Spur Rd.	1,710.00
05-0081	Tacoma Land Co./Mountain Star Ranch, Bill Shaw Rd.	36,318.00
05-0089	Caputo, Nordang Ln.	4,824.00
05-0149	John Sirois, 476 Omak/Riverside E. Rd.	4,182.00
05-0268	Jerry Hilderbrand, Chesaw	2,271.00
05-0273	George Lander, 68 Malott Eastside Rd.	4,265.00
05-0283	Jim Gerlach, 2860 Hwy. 153	1,488.00
05-0287	Shawn Bensing, 116 S. State Frontage Rd. (Rev. #1)	1,598.00
05-0332	Windle Enterprises, Monse River Rd.	1,875.00
05-0341	City of Brewster, Main Ave.	5,030.00
05-0344	Richard Brabant, 92 FS 3525 Rd.	8,003.00
05-0351	City of Brewster, Bridge St. & Main Ave.	3,595.00
05-0357	Dave & Carla Williams, Danzl Rd.	6,220.00
05-0362	Mid Valley Medical Group, 629 Jasmine St., Omak	7,269.00
05-0368	Kirk Gilbertson, Lot 35, Div. 7, Nine Mile Ranch	4,865.00
05-0373	Clarence Fogal, 315B Ave. Conconully	3,073.00
05-0375	Ace Hardware, 661 E. Riverside Dr., Omak	2,370.00
05-0376	District, Jasmine St.	2,958.00
05-0378	District, 2766 Hwy. 153 - Crossroads Ln.	3,591.00
05-0379	Dan Fox, Cordel Rd. off Swanson Mill Rd.	5,048.00
05-0381	District, 410 Hwy. 7, Tonasket	1,820.00

05-0386	City of Brewster, Fourth St.	1,278.00
05-0387	Gary Nesper, 193 Mary Ann Crk.	3,889.00
05-0388	Jeff Bunnell, E. Oroville Rd./Chesaw Rd.	1,336.00
05-0392	Jeff Hardesty, 1609 N. Pine Creek Rd.	3,036.00
05-0396	District, Loup 115	994.00
05-0397	Louise Gosvener, 2360 Chesaw Rd.	5,236.00
05-0399	Gordie Cockle, Juniper & 5th, Oroville	2,698.00
05-0402	Chris Lawrence, 1335 Hwy. 153	1,299.00
05-0405	Dave & Carla Williams, Danzl Rd.	2,200.00
05-0406&05	Ralph Kyle, 396 Monse River Rd.	1,241.00
05-0407	District, Hwy. 20 & Barnholt Loop	6,378.00
	Total	\$149,350.00

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

21. Approval of Vouchers:

Voucher No.'s 88278 through 88363 in the amount of \$50,292.21, No.'s 88364 through 88388 in the amount of \$222,328.73, and No.'s 88389 through 88445 in the amount of \$321,088.72 were submitted for payment from the revenue fund.

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

22. Transfer of Accounts:

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

Apodaca, Maria	\$155.08
Barber, Mary L.	370.96
Barr, Eric W.	138.57
Baseler, Brandon	169.69
Benjamin, Melissa Ellen	262.10
Better Way Entertainment	331.42
Biehn, Stephen	200.48
Bowlin, Candi	158.86
Bugge, Andrew A.	144.74
Capote, Rosalba	136.51
Chatlos, Kristina	199.24
Cisneros, Tammy	119.05

Clark, Dennis K. (Estate)	295.08
Clark, Dennis K. (Estate)	50.00
Craver, Renee A.	303.99
Cumbo, Wayne Michael	332.07
Curtis, Deserai' L.	227.59
Denadel, Destiny & Harrison, Paul	150.23
Descoteaux, Ben & Jennifer	165.67
Durant, Chase	246.86
Farias, Karina & Xochitl	393.53
Featherston, Cary & Debra	289.72
Funk, Marilyn	173.02
Garcia, Antonio Castandea	137.90
Gomez, Virgilio G.	12.69
Gronlund, April	540.98
Groshong, Rosina	138.50
Hagedorn, Brandi	107.84
Hernandez-Gallegos, Heraclio	152.36
Hoffman, April & Eddie	102.38
Hunt, Elizabeth N.	112.62
Isaacs, Shiree	176.85
Isaacs, Tara	59.58
Janisse, Michelle	104.29
Jimenez, Michael Marie	152.69
Johnston, Myrna	187.99
Jones, Clayton	137.87
Knight, Rodney	275.89
Lawson, John C.	77.24
Leyda, Elaine	8.66
Lingo, Jerry A. (Estate)	215.56
McCaffery, Ryan	120.97
McCarty, Leanne	181.94
McClure, Anna	238.34
McCoy, Justine R.	25.85
Milligan, Tisha Marie	374.80
Morrel, Corey	197.00
Muncy, James & Kimberly E.	618.81
Oliver, Rita	35.15
Olmstead, Rose	403.05
Phillips, Anthony M.	2.11
Rangel, Salvador	410.79
Reddington, Justine L. & Wade A.	94.91

Reyes, Jesus	389.52
Rojas, Rafael	347.32
Rude, Shirley (Estate)	55.23
Sam, Leslie	67.35
Sanders, Troy & Rhonda	366.60
Sienknecht, Kenneth (Estate)	125.77
Silva, Maria & Diaz, Antonio	142.60
Snider, Virginia	326.63
Stansbury, Travis L.	63.03
Steadman, Dillard & Trisha	387.12
Stone, Jean M.	436.71
Tarbell, William	2.57
Taylor, Ben & MaryAnn	36.56
Terrones, Rebecca M.	155.86
Vargas, Maria Luisa	189.29
Waleczak, Carol	173.78
Watkins, Tamera	418.41
West, Shad E.	273.28
Westbrook, Angel	572.41
Whitt, Steve	297.38
Winfrey, Sharon Ruth	62.07
Wirth, Wesley	73.29
Total	\$15,382.85

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

23. Adjournment:

There being no further business to discuss, the meeting adjourned at 3:17 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary