

**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 20, 2005  
12:30 p.m.**

**Present:**

**Board:** Ernest Bolz, David Womack, Donald Johnson

**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Larry Felton, Warren Miller, Julie Pyper

**Other:** Michael Howe - Legal Counsel

**Public:** Chris Thew, Maria Converse, Jeff Hardy,  
Bill Swayze, Jason Dodgen

**Summary Agenda**

1. Call to Order
2. Public Comment
3. Executive Session
4. Additions/Deletions to Agenda
5. Amend Meeting Schedule/Resolution No. 1302
6. Set Future Commission Meetings
7. Telecom and Wireless Discussion
8. Revise and Supplement 2005 Budget/Resolution No. 1303
9. Hearing on 2006 Proposed Budget
10. EIS Update
11. Amendment to Current Green Tag Sale
12. Delegation of Authority
13. Manager's Report
14. Power Supply Report
15. Public Comment
16. Meetings
17. Approval of Minutes
18. Approval of Work Orders
19. Approval of Vouchers
20. Executive Session
21. Adjournment

**1. Call to Order:**

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

## **2. Public Comment:**

No public comment was offered.

## **3. Executive Session:**

President Bolz recessed the Commission into executive session for one hour at 12:30 p.m. to discuss property and litigation issues.

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

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

Commissioner Bolz moved the telecom discussion up on the agenda. Commissioner Johnson added to the agenda an update on the Methow Transmission Line Project Environmental Impact Statement. Manager Berrie added a discussion on an amendment to the current sale of green tags.

## **5. Amend Meeting Schedule/Resolution No. 1302:**

Commencing with the first meeting in October 2005, Resolution No. 1302 provides that the regular meetings of the Board of Commissioners will convene on the first, second and third Tuesday of the month at 12:30 p.m. at the PUD office in Okanogan and on the fourth and fifth Tuesday of the month at 5:00 p.m. at a location to be determined, with executive session as the first item of business. Regular session/public comment will commence at 1:30 p.m. for meetings on the first, second and third Tuesday and at 6:00 p.m. for meetings on the fourth and fifth Tuesday.

Commissioner Womack moved, seconded by Commissioner Johnson, to adopt Resolution No. 1302. The motion unanimously carried.

## **6. Set Future Commission Meetings:**

The Board established the following Commission meeting dates and special budget planning meetings:

10/04/05 Okanogan PUD Auditorium 12:30 p.m.

Regular Meeting

10/18/05 Okanogan PUD Auditorium 12:30 p.m.

Regular Meeting

10/24/05 Okanogan PUD Auditorium 3:00 p.m.

Special Meeting

10/31/05 Okanogan PUD Auditorium 3:00 p.m.

Special Meeting

11/01/05 Okanogan PUD Auditorium 12:30 p.m.

Regular Meeting

11/21/05 Okanogan PUD Auditorium 3:00 p.m.

Special Meeting

11/22/05 Okanogan PUD Auditorium 5:00 p.m.

Regular Meeting

12/06/05 Okanogan PUD Auditorium 12:30 p.m.

Regular Meeting

## 7. Telecom and Wireless Discussion:

Telecom Manager Warren Miller reviewed a payback analysis of the Telecom Wireless system, which presently has 627 users utilizing the four PUD constructed towers in Okanogan, Omak and Oroville. A map was presented showing five potential additional tower sites in the Okanogan Valley, five more potential sites in the Methow Valley and Brewster, as well as one in the Aeneas Valley and another in the Coulee Dam area. Two additional towers have been approved to be built in 2005 with their location undecided; Oroville and Tonasket are locations suggested in meetings between Internet service businesses and PUD staff. At this time 18% of the households in Okanogan, Omak and Oroville are utilizing the PUD Wireless system. Miller recommended the continued purchase of radios according to demand if the District proceeds with Wireless as a business. Depending on the success of two additional proposed towers, 100 more radios may be needed between now and the end of year.

Commissioner Johnson moved to continue with the existing Telecom Wireless rates and not purchase additional radios. (There was no second.)

Commissioner Womack moved to accept the Telecom Manager's recommendation to purchase 100 radio kits and to authorize an additional 100 if needed. (There was no second.)

Commissioner Womack moved, seconded by Commissioner Bolz, to authorize the purchase of radio kits in increments of 25 or 50, depending on current price breaks, sufficient to support the District's existing towers. The motion carried two to one with Commissioner Johnson opposed.

Commissioner Johnson moved, seconded by Commissioner Bolz, that the location of tower sites be recommended by staff and approved by the Board of Commissioners. The motion unanimously carried.

Commissioner Johnson pointed out that one year ago, in consideration of the 2005 budget, Telecom expenditures were contingent on the completion of a program review and presentation of an updated business plan. While the review was completed (it recommended that the PUD stop purchasing radios),

the business plan has yet to be developed. Staff will present a business plan for the Wireless component of the Telecom Project at the October 4 meeting.

#### **8. Revise and Supplement 2005 Budget/Resolution No. 1303:**

The Board considered Resolution No. 1303 revising and supplementing the 2005 Budget. Total receipts for 2005 were revised upward from \$39,210,000 to \$42,110,000 and expenditures were revised from \$41,911,324 to \$40,475,224. The transfer to reserves was revised from a deficit of \$2,701,324 to a surplus of \$2,377,276.

Commissioner Womack moved, seconded by Commissioner Johnson, to adopt Resolution No. 1303. The motion unanimously carried.

#### **9. Hearing on 2006 Proposed Budget:**

Director of Finance/Auditor Don Coppock submitted preliminary budget information for 2006. The analysis of BPA's proposed rates has not been completed and additional budget review is necessary (it will be continued through the next several meetings including special workshops at 3 PM on October 24 and 31, as well as November 21); however, at this time receipts by the Revenue Fund during 2006 are anticipated in the amount of \$40,725,000, of which Electric and Telecom sales are estimated at \$37,900,000. Expenditures are expected to be \$44,787,701, for an estimated shortfall requiring a transfer from reserves of \$4,062,701.

Related discussions included the Energy Policy Act of 2005, which calls for demand response and time-based rates, as well as tiered rates and rate reductions proposed by BPA.

Following discussion, the budget hearing was continued to the next meeting.

#### **10. EIS Update:**

With regard to the Methow Transmission Line Project Environmental Impact Statement, Commissioner Johnson inquired about the availability of the EIS comments/responses for the Board's review and an update of the Tetra Tech cost appendix.

Johnson stated that after further review of materials, he wished to renew his request that staff pursue the feasibility and cost of reconductoring the Loup Loup line with composite core conductor; this approach could utilize all existing transmission line structures and might reduce costs. At the suggestion of the Manager, the majority of the Commissioners decided to not investigate this option.

### **11. Amendment to Current Green Tag Sale:**

Manager Berrie requested authorization to amend the District's contract with Energy Northwest for the sale of additional green tags from the Nine Canyon project for the period July 14 through December 31, 2005. The amendment would result in an increase of \$33,480.00 over the original contract value of \$24,705.45, for a revised contract value of \$58,185.45.

Commissioner Johnson moved, seconded by Commissioner Womack, to authorize the Manager to enter into a Contract Modification with Energy Northwest for the sale of \$33,480.00 additional green tags from the Nine Canyon project for the period July 14 through December 31, 2005, for a revised contract value of \$58,185.45. The motion unanimously carried.

### **12. Delegation of Authority:**

Manager Berrie requested that delegation of authority be established so that in his absence an Acting Manager could fill the role of Manager and sign documents.

Commissioner Womack moved, seconded by Commissioner Johnson, that in the absence of the Manager, the authority of the Manager would vest in Doug Adams and in the event Doug Adams is unable to fulfill that role, then it would go to Don Coppock. The motion unanimously carried.

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

Washington PUD Association Executive Director Steve Johnson advised in an e-mail to Managers and Commissioners that he has suspended design of the Olympia office building.

Positive comments were received from the District's fair demonstrations. Photos of the demonstrations are available on the web at [www.okanoganpud.org](http://www.okanoganpud.org).

Manager Berrie will be absent from the October 4, 2005 Board meeting.

With regard to the Transmission Issues Group and Grid West discussion at the last meeting, Manager Berrie submitted comments to BPA in support of the Transmission Improvements Group approach. Snohomish PUD is hosting a Commissioner workshop on the subject on September 26, 2005.

Douglas PUD has been having outreach meetings with interested parties about the licensing process of Wells Dam. The District will request a written overview of the presentation.

Manager Berrie is serving on a Slice product regional review committee and will be attending a meeting in Portland on September 22, 2005.

An invitation was received from The Chronicle to attend a free-of-charge program October 6, 2005 at the Wenatchee Valley College Theater in Wenatchee on Public Records and Open Meetings access issues.

Director of Operations Doug Adams provided an update on the power pole issue that Will Schreckengast discussed at the August 23, 2005 meeting. It was determined that the pole is a main feeder and will involve the moving of other poles. The project will be included in the 2006 budget.

#### **14. Power Supply Report:**

Power Resource Engineer Larry Felton reported that BPA has announced a 1.6% on average reduction of the FY 2005 - FY 2006 power rates for Block and Full Requirements customers. When applied to Okanogan PUD this reduction is a 3.3% savings; however, the overall affect of BPA rates with the District's larger Slice product is an increase to Okanogan PUD of 2.4%.

Energy Northwest has asked for authorization by October 19, 2005 of its undertaking of the Reardan Twin Buttes Wind Project.

As part of the FERC licensing process, the initial consultation meeting is scheduled for November 7, 2005.

#### **15. Public Comment:**

No public comment was offered.

#### **16. Meetings:**

Commissioner Womack reported on the Washington PUD Association Issues Committee and Building Development Committee meetings that he attended in North Bonneville on September 15-16, 2005.

Commissioner Bolz reported on the Northwest Open Access Network meeting he attended in Seattle on September 13, 2005. He also attended meetings of the Washington PUD Association in North Bonneville on September 15-16, 2005.

The next Okanogan PUD Board meeting is scheduled for 12:30 p.m., October 4, 2005 at the Okanogan PUD Auditorium.

#### **17. Approval of Minutes:**

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the Minutes of the September 6, 2005 regular meeting.

The motion unanimously carried.

#### 18. Approval of Work Orders:

The following work orders were submitted for approval:

05-00&04	Dan Shifflet, 701 & 702 Shady Lane -- Wildwood, Omak	\$1,915.00
05-05&03	Paul Walker, 22 E. Sourdough Rd.	1,826.00
05-02&03	Gary Pollard, 23 Connect Rd., Oroville	1,416.00
05-0004	Brent Yusi, Lot 3, Trail Ridge Dr.	1,470.00
05-0346	Sam Quiroz, 31 Main Rd. (Rev. #1)	2,922.00
05-0364	Todd & Bonnie Maltais, 33 Rattlesnake Way-1 Mtn Home Rd.	13,526.00
05-0365	Donald Fulmer, Roundup Rd., Oroville	4,917.00
05-0384	Mansfield & Johnson Plat, Mansfield Rd.	7,405.00
05-0394	Joshua Elliott, Lot 4 - Rolling Hills Est.	3,681.00
05-0401	Charles & Jana Gaffney, Lot 29 - Div. 7, Nine Mile Ranch	3,674.00
05-0408	Eric & Tammy Smith, 44 Crumbacher Rd.	4,151.00
05-0411	John Weeks, 1300 Hwy. 153	2,135.00
05-0412	Malcom Townsend, 814 Monroe St., Okanogan	1,291.00
05-0413	District, Hwy. 153 - Mile Marker 13	1,869.00
05-0415	Marlene Rawley, 570 Paradise Hill Rd.	1,421.00
05-0416	District, alley behind Hanks Mini Mart	6,278.00
05-0417	District, 420 3rd Ave., Omak	1,280.00
05-0418	Paul Christen, 128 Airport Rd., Twisp	1,433.00
05-0421	William Greene, 74 Golden Rd.	934.00
05-0425	Pam Criswell, 910 Loomis-Oroville Rd.	904.00
05-0430	District, Omak	1,089.00
05-0432	Chris Lawrence, 1337 Hwy. 153	1,496.00
	Total	\$67,033.00

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

#### 19. Approval of Vouchers:

Voucher No.'s 88446 through 88562 in the amount of \$522,952.30, No. 88563 in the amount of \$85,050.01, No.'s 88564 through 88589 in the amount of \$190,408.99, No.'s 88590 through 88677 in the amount of \$564,306.02, and No. 88678 in the amount of \$101,226.56 were submitted for payment from the revenue fund.

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

**20. Executive Session:**

President Bolz recessed the Commission into executive session at 5:15 p.m. for 15 minutes to discuss litigation and personnel, with no action anticipated.

President Bolz reconvened the Commission into regular session at 5:30 p.m.

**21. Adjournment:**

There being no further business to discuss, the meeting adjourned at 5:30 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary