

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

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

Present:

Board: Ernest Bolz, David Womack, Donald Johnson

Staff: Chuck Berrie, Doug Adams, Don Coppock, Larry Felton, Dan
Boettger, Warren Miller, Jeff Deason, Steve Brown, Julie Pyper

Attorney: Michael Howe

Public: Laura Clark, Chris Thew

Summary Agenda

1. Call to Order
2. Executive Session
3. Additions/Deletions to Agenda
4. Public Comment
5. Okanogan County Biomass Partnership
6. 2006 Budget Hearing Continued
7. NoaNet Update
8. Telecom Plan & Budget Discussion
9. Tree Replacement Program
10. Cash Management Goal Discussion
11. Manager's Report
12. BPA Slice Audit Funding
13. Power Supply Report
14. Basic Charge Discussion
15. Public Comment
16. Meetings
17. Approval of Minutes
18. Approval of Work Orders
19. Approval of Vouchers
20. Approval of Transfer of Accounts
21. Adjournment

1. Call to Order:

President Bolz called the meeting to order at 12:34 p.m.

2. Executive Session:

President Bolz recessed the Commission into executive session at 12:34 p.m. for one hour to discuss personnel and potential litigation.

President Bolz reconvened the Commission into regular session at 1:35 p.m.

3. Additions/Deletions to Agenda:

Commissioner Johnson added discussions to the agenda pertaining to the Okanogan County Biomass Partnership and the Telecom Plan and Budget.

Manager Berrie added the setting of Commission Meeting Dates and Funding for BPA Slice Audits and Product Review.

Commissioner Womack added a Basic Charge discussion.

4. Public Comment:

No public comment was offered.

5. Okanogan County Biomass Partnership:

The Board addressed the funding request presented at the November 1, 2005 meeting by representatives of the Okanogan Conservation District, Forest Service and Okanogan Communities Development. Okanogan PUD was asked to contribute \$20,000 for a woody biomass feasibility study grant to determine the best process for removing woody biomass from the forests, find the most economical means of producing power, and create a business plan to acquire project funds. Laura Clark of the Conservation District attended today's meeting and noted that \$20,000 funding was also requested from Okanogan County.

At the PUD's request, Energy Northwest provided preliminary research and quantified their interest in the project by proposing to match Okanogan PUD's investment up to \$10,000. If the project is commissioned, Energy Northwest would ask for either consideration to be operator or a return of the investment.

The Board will consider the biomass feasibility study proposal at the December 13, 2005 meeting.

6. 2006 Budget Hearing Continued:

There was no public comment on the 2006 budget

Dan Boettger presented a budget amendment for storm water drains/runoff at the Okanogan facilities. The preliminary budget called for \$85,000 for this line item; however, the Storm Water Planning Study that is being conducted by Hammond Collier, Wade Livingstone indicates a need to increase this amount to \$280,000. The major improvements planned will function as components of the District's Spill Prevention Control and Counter Measure Plan.

Following discussion on needed improvements and the lower priority components, the Board approved a 2006 budget placement of \$200,000.

Don Coppock submitted a description of the budget changes between the preliminary and final. The 2006 budget is scheduled for approval at the December 13, 2005 meeting.

7. NoaNet Update:

Telecom Manager Warren Miller reported that the Board of Directors of NoaNet will hold a special meeting on December 9, 2005 to address the request of Franklin and Grant PUDs to rescind their previous withdrawal notices. Okanogan PUD's member percentage interest will remain at 5.50 percent.

8. Telecom Plan & Budget Discussion:

With regard to the District's \$7.1 million telecom investment, Warren Miller was requested to provide at the next meeting an accounting to reflect the short-term loan representing the system's operating losses and associated interest as well as the long-term loan (assumed to be \$3.3 million) from the electrical business to support the wholesale side.

9. Tree Replacement Program:

Staff presented revisions to the Tree Replacement Program guidelines. The Board will review the policy for approval at the next meeting.

10. Cash Management Goal Discussion:

Chuck Berrie provided information to consider with regard to the proper level of funding when setting policies and rates. The Board held a short discussion on goals relative to the District's cash management policies and will readdress the matter at a future meeting.

11. Manager's Report:

Chuck Berrie reported that Entrix, Inc. staff will provide a progress report and address the Enloe Dam budget at the December 13, 2005 meeting.

12. BPA Slice Audit Funding:

Chuck Berrie reported that authorization is needed for the District to continue participating in audit reviews of BPA's finances relative to the Slice Product. He noted that the audits have been beneficial, and the District's share of the cost is 2.25 percent.

Commissioner Johnson moved, seconded by Commissioner Womack, to authorize the Manager to enter into agreements to continue the funding for Slice Audits and collaborative work on the Slice Product Review. The motion unanimously carried.

13. Power Supply Report:

Larry Felton discussed the recent cold snap combined with river constraints and the effect on the District's energy needs. He noted that each degree drop in temperature equals an additional 1.6 average megawatt in load.

A detailed report will be provided in January.

14. Basic Charge Discussion:

In response to the frequent questions about the basic electrical charge, staff was requested to provide an analysis of the charge based on the allocation of operation and maintenance costs. Commissioner Womack suggested that an explanation of the basic charge be featured in Watt's Up.

15. Public Comment:

There was no public comment.

16. Meetings:

The next Okanogan PUD Board meeting is scheduled for 12:30 p.m., December 13, 2005 at the Okanogan PUD Auditorium.

The following schedule was established for future meeting dates:

01/10/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

01/24/06 Okanogan PUD Auditorium 5:00 p.m. Executive Session
6:00 p.m. Regular Meeting

02/07/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

02/21/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

03/07/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

03/21/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

The Commissioners will participate in individual exit conferences with the State Auditors on December 19, 2005.

18. Approval of Minutes:

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the Minutes of the November 21, 2005 special meeting. Commissioner Johnson moved to amend Item 2 - 2006 Budget Planning by inserting "wholesale" in reference to telecom and deleting "Business" from the title of the Telecom Plan. The motion was seconded by discussion. Upon the vote, the motion unanimously carried.

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the Minutes of the November 22, 2005 special meeting. The motion unanimously carried.

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the Minutes of the November 22, 2005 regular meeting. Commissioner Johnson noted that under Item 14 - Approval of Minutes, the established rules of the

Commission were not followed with regard to approval of the November 1, 2005 Minutes . President Bolz stated that the procedure was in order according to the ruling of the Chair. Upon the vote, the motion unanimously carried.

Commissioner Womack moved, seconded by Commissioner Johnson to approve the Minutes of the November 28, 2005 regular meeting. Commissioner Johnson moved to insert the following at the end of the second sentence under Item 2 - 2006 Budget Planning: "this was attributed to an increase of about 20% in transmission costs." The motion was seconded by discussion. Upon the vote, the motion unanimously carried.

19. Approval of Work Orders:

The following work orders were submitted for approval:

04-0549	Grandview Short Plat, Palmer Lake	\$6,974.00
05-002&3	Jared Ramsey, Hwy. 7 N. of Cemetery (Rev. #1)	2,041.00
05-0004	Les Sutton, 13 Johnson Creek Rd.	808.00
05-0006	District	1,277.00
05-0226	Don Motes, 40 N. Fork Rd., Conconully	2,021.00
05-0273	George Lander, 68 Malott Eastside Rd.	1,317.00
05-0293	Wannacut Lake Development, Blue Lake Rd.	25,834.00
05-0361	Mike Bourn, 3514 Loomis-Oroville Rd.	7,102.00
05-0397	Louise Gosvener, 2360 Chesaw Rd. (Rev. #1)	4,392.00
05-0420	District, Jennings Loop Rd.	33,194.00
05-0445	James Bridges, 52 Eaglestone Rd.	8,074.00
05-0450	Angel Brown, 767-A Paradise Hill Rd.	1,077.00
05-0451	George & Mary Armendariz, Lot 20-Mtn River Ranch, Bill Shaw Rd.	7,728.00
05-0465	Carol Johnson, Lot 195 - Cape Labelle Rd.	4,590.00
05-0471	District, Switch 3200 - Whitestone Substation	2,706.00
05-0478	Jason Ayers, 455 S. Pine Creek Rd.	1,506.00
05-0480	Barbara Irvine, Harrison & June, Twisp	4,302.00
05-0482	Dale Crandall, Lot 8 - Big Horn Short Plat	3,080.00
05-0486	District, Harrison & June St.	1,058.00
05-0492	Mike Thomas, Cherokee Rd.	1,263.00
05-0495	Okanogan Family Planning Clinic, 127 N. Juniper, Omak	2,815.00
05-0497	Steve Mitzner, Hwy. 20 by 22626A Hwy. 20	1,257.00
05-0498	Mitch Spears, 49 Allemandi Rd.	1,607.00
05-0501	Clayton Emry, 1123 21st Ave., Oroville	944.00
05-0504	Lucy Taylor, Tamarack Rd.	3,466.00
05-0506	Rick Ives, 11 Kingfisher Rd., Twisp	1,436.00

05-0507	Michael Hardin, 4 Kylin Rd.	1,158.00
05-0509	Jo Ann Corfman, 411 Anderson Ln.	539.00
05-0514	Brent Dell, Washburn Lake Rd.	16,485.00
05-0515	BTO Construction, 32 S. Golf Course Dr.	1,626.00
05-0517	District, Gold Creek	681.00
05-0518	Bill Hanson, Old Orchard Rd.	5,209.00
05-0520	Nathan Czubja, Lot 2 - Methow River Ranch	5,106.00
05-0521	Georgiana & Walter Florek, 50 Hendrick Loop	3,940.00
05-0522	Dale Smith, Hwy. 97 N. of Monse	5,153.00
05-0525	Michael Marcelly, Eastside Riverside Rd.	3,108.00
05-0527	Don Pedersen, 20065 Hwy. 20	6,118.00
05-0528	District, Hwy. 20 N. of Twisp	1,874.00
05-0530	District, Hwy. 20 N. of Twisp	928.00
05-0531	Mert Thayer, 80 Cielo Circle - Harmony Heights	3,690.00
05-0534	District, Dawson St., Pateros	4,175.00
05-0537	Dennis Giesen, Rodeo Trail	3,792.00
05-0538	District, Western Ave., Tonasket	864.00
05-0541	District, Southern Area	7,350.00
05-0542	David Spurrier, 11 Rawhide Rd.	801.00
05-0543	David Spurrier, 11 Rawhide Rd.	728.00
05-0545	Grandview Well Service, Aeneas Valley Rd.	1,172.00
05-0551	Rory Morrison, 1815 Deerpath, Oroville	2,396.00
05-0552	Todd Taylor, 471 Indian Dan Canyon	4,317.00
05-0553	Todd Taylor, 471 Indian Dan Canyon	2,283.00
05-0554	District, Indian Dan Canyon	1,793.00
05-0564	Mike Kaiser, Okoma Dr.	1,812.00
	Total	\$218,967.00

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

20. Approval of Vouchers:

Voucher No.'s 89499 through 89512 in the amount of \$200,599.93, No.'s 89513 through 89560 in the amount of \$2,207,410.60, and No.'s 89561 through 89661 in the amount of \$408,532.36 were submitted for payment from the revenue fund.

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

21. Transfer of Accounts:

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

Allbee, Shannon	\$32.74
Baker, Tina	369.14
Behrens, Greg S.	92.25
Bertram, Kimberly & Michael	67.13
Bradley, Joan P.	150.85
Brown, John	58.50
Chavez, Audrey	94.08
Chitwood, Diana	47.43
Coffey, Lisa	115.80
Cardona, John	159.82
Fly, Dixie & Eric	56.36
Fry, Larry Jr.	170.26
Gallant, Elaina	210.44
Gilmer, Roger R.	39.47
Garcia, Minette	621.57
Grimm, Steve	61.13
Hutson, Dale & Misty Cons. Loan	496.24
Isensee, Greg V.	306.58
Johnson, Brandy Elizabeth	151.07
Kitterman, Amy J.	46.45
Larosa, Lee W.	26.68
Lightley, April	978.11
Maitha, Margie	42.69
Moore, Melodee	158.51
Morris, Marcus	113.47
Olsen, Alyssa Marie & Norman	85.79
Ortiz, Maria	6.75
Pamatz, Antonio	62.43
Paul, Patricia	87.53
Peterson, April	82.95
Remy, Clifton W.	17.61
Sigafoos, Denise M.	36.10
Timentwa, Rebecca A.	139.93
Wietrick, Vickie	10.40

Wilkinson, Vickie	48.66
Williams, Kallyn K.	124.56
Total	\$5,369.48

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

22. Adjournment:

There being no further business to discuss, the meeting adjourned at 4:29 p.m.

Ernest J. Bolz, President
ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary