

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Okanogan County
Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
June 9, 2009
1:30 PM**

Present: Board: Trish Butler, David Womack, Ernest Bolz
Staff: Doug Adams, Don Coppock, Ron Gadeberg, Derek Miller,
Dan Boettger, Jeff Deason, Tina DeLap
Legal: Michael Howe
Public: Sheila Corson - The Chronicle;
Marcy Stamper – Methow Valley News;
Richard Pierson, Jim Oakley, Roy Henderson, Craig Boesel,
Nim Titcomb, Frank Kline, Christine Davis, John Overby,
John Wyss, George Wooten, Janet Thompson, Maeyowa

Summary Agenda

- I. Call to Order, 1:30 p.m.
- II. Business Meeting
 - 1. Approval of Agenda
 - 2. Approval of Consent Agenda
 - a) Minutes of 5-26-09
 - b) Vouchers
 - c) Transfer of Accounts
 - 3. Public Comment
 - 4. Unfinished Business
 - 5. New Business
 - a) USKH Architects – Construction Bid Award
 - b) Methow Transmission Project – Eminent Domain
 - 6. Manager’s Report
 - 7. Other Business
 - 8. Future Planning
 - 9. Meetings
- III. Executive Session
- IV. Adjournment

I. Call to Order

The regular meeting was called to order at 1:30 p.m. by Commission President Trish Butler. Recitation of the Pledge of Allegiance followed.

II. Business Meeting, 1:30 p.m.

1. Approval of Agenda:

Commissioner Butler outlined protocol for public comments and noted that the purpose of today’s Methow Transmission Project discussion was to hear landowner comments and staff efforts to accommodate landowner requests, not to debate the route selected.

Commissioner Butler noted a 20 minute Executive Session would be held for the purpose of discussing potential litigation, with possible action anticipated.

Commissioner Bolz requested Public Comments follow the Manager’s Report to facilitate the timely completion of District business.

Commissioner Bolz moved to approve the Agenda as amended. Commissioner Womack seconded the motion. Upon the vote, the motion received unanimous approval.

2. Approval of Consent Agenda Items:**a) Minutes**

Minutes of the May 26, 2009 regular meeting were submitted for approval.

b) Vouchers

Vouchers in the amount of \$813,887.32 were submitted for approval.

c) Transfers of Accounts

No transfers of accounts were submitted for approval.

Commissioner Womack moved to approve the consent agenda. Commissioner Bolz seconded the motion, which carried with unanimous approval.

3. Unfinished Business:

No unfinished business items were presented.

4. New Business:**a) USKH Architects – Construction Bid Award**

Manager of Operations Doug Adams outlined the bid process for construction of the District's new headquarters facility in Okanogan. USKH Architects of Spokane opened bids at a public meeting on May 27, 2009 in Okanogan. Ten qualified bids were received. Staff recommended awarding the contract to the lowest bidder, Blodgett Construction of Wenatchee, whose bid was \$5,948,262.00 plus \$373,086.00 Washington State Sales Tax, for a total amount not to exceed \$6,321,348.00. The architects' estimated cost for this project was \$7,479,000.00.

Commissioner Bolz moved to award the contract for construction of the District's new headquarters facility to Blodgett Construction Associates in the amount of \$6,321,348 and to authorize the General Manager or his designee to execute applicable contracts. Commissioner Womack offered a second to the motion. Upon the vote, the motion carried unanimously.

b) Methow Transmission Project – Eminent Domain

Commissioner Butler reiterated that this discussion was for the benefit of affected or interested entities who have received notice from the PUD, and not for the purpose of debating transmission route selection. (Alternative Route #2 was chosen in 2006 following completion of a comprehensive Environmental Impact Statement.)

Chief Engineer Derek Miller provided a history of project redesigns and negotiations with landowners. Based on a verbal agreement from Dan Gebbers to grant easements in return for power to three stock tanks, staff had previously relocated a segment of the line off Washington Department of Fish and Wildlife property and onto Gebbers' property. Easements have been received for properties on both ends of this relocation. Because the land in question lies within the corridor of EIS study, it is unfeasible to reroute this segment in a manner which would completely avoid all parcels owned by Gebbers and Kelpman.

Attorney Richard Pierson spoke on behalf of Dan Gebbers and Trevor Kelpman. Pierson contended the PUD should be required to pay for Gebbers and Kelpman's easements plus severance damages on their total acreages owned based on highest and best use values. A land use expert hired by Gebbers and Kelpman offered "highest and best use" scenarios which included subdividing and creating a development of 2-acre recreational sites. Miller noted that Gebbers has expressed a desire to keep this land in open use. Pierson acknowledged that Gebbers may not develop the land himself, but would still like it assessed at the highest and best use value.

Pierson appealed to the PUD to rebuild the Loup transmission line (EIS Route 4) and avoid his clients' properties altogether. Commissioner Bolz responded that providing redundant power is

a primary concern of the Board, and Route 4 did not meet the reliability standards outlined in the EIS. Pierson acknowledged that he was unaware the other alternatives did not meet project purpose and needs.

Pierson next requested that the PUD either relocate a segment of line crossing the property of Christina Davis, or take the entire property. The District is requesting a 50' wide easement across the edge of a parcel owned by Davis. Although previously staked by surveyors, Pierson and Davis were unfamiliar with the location of survey markers. Chief Engineer Derek Miller will schedule an appointment with Davis to review the survey stakes.

Janet Thompson spoke on behalf of herself, her sister and brother-in-law, Annette and Mark Fitzsimmons, and the Methow River Ranch Homeowners Association opposing the PUD's use of their existing roads. Thompson verified that she would prefer for the PUD to construct entirely new roads rather than grant an easement allowing the District to potentially access her property in the event of an outage. Chief Engineer Derek Miller outlined recent route adjustments and asked if Thompson would be willing to grant an easement for construction purposes only. Thompson requested that all notifications be sent in writing and noted she would discuss the issue with her sister.

An update by staff will be provided at the June 23, 2009 Board Meeting.

5 Manager's Report:

No Manager's Report items were presented.

6 Public Comment:

Maeyowa asked the PUD to reconsider rebuilding the Loup line or selecting a different route than the one chosen.

George Wooten stated opposition to route 2 would never go away, however the District could count on the support of himself and thousands of people statewide and beyond if a different route were chosen.

Jim Oakley updated the Board on current power generation projects being considered by Energy Northwest.

7 Other Business:

No other business items were presented.

8. Future Planning:

No future planning items were presented.

9. Meetings:

Commissioners Butler, Bolz and Womack attended separate exit audit meetings with State Auditors in Okanogan on June 6, 2009.

Commissioner Womack attended a construction bid opening meeting in Okanogan on May 27, 2009.

III. Executive Session:

The regular meeting was recessed at 2:58 p.m. and reconvened into executive session at 3:00 p.m. to discuss with legal counsel representing the District litigation or potential litigation to which the District, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the District, pursuant to RCW 42.30.110(1)(i). It was expected the executive session would last approximately thirty minutes, with possible action anticipated.

At 3:30 p.m. the executive session was recessed and the regular session resumed with no action taken.

IV. Adjournment:

There being no further business to discuss, the meeting was adjourned at 3:30 p.m.

Trish Butler, President

David Womack, Vice-President

ATTEST:

Ernest Bolz, Secretary