

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

Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
April 11, 2006

**Executive Session 12:30 PM**  
**Regular Session 1:30 PM**

**Present:**

Board: Donald Johnson, Ernest Bolz, David Womack

Staff: Chuck Berrie, Doug Adams, Don Coppock, Larry Felton, Ron  
Gadeberg, Steve Brown, Julie Pyper

Attorney: Michael Howe

Public: Jeremy Pratt - Entrix, Inc.  
Chris Thew - Chronicle

**Summary Agenda**

- I. Call to Order
- II. Approval of Agenda
- III. Consent Agenda Items
  - Minutes of 3-28-06 Meeting
  - Vouchers
  - Transfer of Accounts
- IV. Public Comment
- V. Action Agenda
  - A. Old Business
    1. Enloe Dam Budget Amendment
    2. Budget Discussion for Pateros-Twisp Transmission Line
    3. Line Extension Policy Discussion
    4. Energy Northwest
      - Letter of interest for Nine Canyon Phase III
      - Letter of interest for Pacific Mountain Energy Center
      - Discussion of Executive Board
    5. Schedule Tour of Capital Projects
    6. Reschedule 5-23-06 Board Meeting
  - B. New Business
    1. Manager's Report

- 2. Power Report
- 3. Meetings
- VI. Public Comment
- VII. Executive Session
- VIII. Adjournment

**I. Call to Order:**

President Johnson called the meeting to order at 12:30 p.m. and recessed the Commission into executive session for one hour to discuss litigation issues.

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

**II. Approval of Agenda:**

Manager Berrie added to the agenda a budget discussion for the Pateros-Twisp transmission line and a short discussion on the District's Line Extension Policy.

Commissioner Bolz moved, seconded by Commissioner Womack, to approve the agenda as amended. The motion unanimously carried.

**III. Consent Agenda Items:**

The Minutes of the March 28, 2006 meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 91305 through 91327 in the amount of \$195,214.51, vouchers 91328 through 91415 in the amount of \$461,254.04, and vouchers 91416 through 91482 in the amount of \$272,435.09.

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

Arevalo, Antonio	110.96
Ayers, Randy	261.23
Bingham, E. Cornelia (Estate)	200.68
Bradley, Joseph	144.04
Callesen, Kristi	237.40
Clark, Debra L.	228.96
Cordell, Terri	42.51
Flores, Santana & Lorenzo, Silvia	129.92
Garcia, Loretta	220.43
Gustin, Dorothy & Phillip (Estate)	269.81

Kelly, Douglas	233.29
McClure, Parker George III	96.50
Miller, Melina	266.31
Norris, Orval & Tara	165.52
Ortiz-Nicholson, Adriana	101.42
Sanchez, Eva Louann	284.78
Sanchez, Ramona	194.76
Scharf, Jerry (Estate)	17.82
Smith, Monica	153.74
Smyth, M.F.	266.37
Taylor-Eberhardt, Kim	147.31
Weekly, Neil & VanBrunt, Cheryl	330.19
Total	\$4,103.95

Commissioner Bolz moved, seconded by Commissioner Womack, to approve the consent agenda. Commissioner Johnson offered an amendment to the Minutes; therefore, the Minutes were withdrawn from the consent agenda. The motion to approve the consent agenda minus the Minutes unanimously carried.

Commissioner Womack moved to approve the Minutes. Commissioner Johnson moved to amend the Minutes to add the entire statement of Lorah Water's public comment. There was no second to the motion. The motion to approve the Minutes as presented unanimously carried.

**IV. Public Comment:**

No public comment was offered.

**V. Action Agenda:**

**A. Old Business**

**1. Enloe Dam Budget Amendment:**

Larry Felton, Power Resource Engineer/Enloe Dam Project Manager, and Jeremy Pratt, Entrix, Inc. Project License Manager, addressed the Enloe Dam budget amendment that was introduced at the last meeting. Based on input received during consultation and comment on the Initial Consultation Document/Supplement, the PUD has reevaluated and revised its study plans. The budget amendment of \$405,000 is occasioned by the combined need to reopen the areas of historical and cultural, and sediment, water quality and hydrology.

Following discussion, Commissioner Bolz moved, seconded by Commissioner Womack, to approve the proposed Enloe Dam 2006 Budget Amendment of \$405,000 to perform additional studies requested by various agencies deemed necessary to complete the Enloe Dam draft License Application. The motion unanimously carried.

**2. Budget Discussion for Pateros-Twisp Transmission Line:**

The Board authorized staff at the last meeting to begin the process of engineering design, right-of-way acquisition, permitting and all other necessary steps to construct and complete Alternative 2 as the action alternative for the Methow Transmission Project. The 2006 budget has allocated \$555,000 for contractual services (\$180,000 for Methow transmission engineering and right-of-way, \$75,000 for Methow permitting, and \$300,000 for capital project legal fees). Because a series of Professional Services Agreements will be needed and projects in excess of \$25,000 currently require Board approval, Manager Berrie requested authority to utilize the \$555,000 as deemed necessary for costs associated with the project.

Commissioner Bolz moved, seconded by Commissioner Womack, to authorize the Manager to enter into Professional Services Agreements as necessary to accomplish work associated with the construction of the Pateros-Twisp transmission line to include, but not be limited to legal fees, engineering, permitting and right-of-way, with authorization for all such agreements to not exceed the total dollars approved in the 2006 budget in the amount of \$555,000. Commissioner Johnson stated that there is nothing scheduled in the next year to solve the Methow Valley transmission problems and he would like to see the funds spent on reconductoring the Loup Loup transmission line, which could be done next year. The motion passed two to one with Commissioner Johnson opposed.

**3. Line Extension Policy Discussion:**

Changes are being considered to the District's Line Extension Policy. The Board was provided copies of the existing policy for review in anticipation of future discussions.

**4. Energy Northwest:**

**Letter of Interest for Nine Canyon Phase III:** Manager Berrie reported that Energy Northwest has requested utilities assist in the filing of an application by April 26, 2006 for an allocation to issue Clean Renewable Energy Bonds to finance a portion of the costs of the proposed Nine Canyon Wind Project Phase III.

Following discussion, the Board agreed to make a decision when Energy Northwest returns with a perspective in July 2006.

**Letter of Interest for Pacific Mountain Energy Center:** Energy Northwest is requesting by April 14, 2006 a non-binding Expression of Interest for acquiring power generation capacity from Pacific Mountain Energy Center, a 600 MW Integrated Gasification Combined Cycle power generation project at the Port of Kalma in Southwest Washington.

Following discussion, Commissioner Bolz moved, seconded by Commissioner Womack, to authorize staff to submit a letter to Energy Northwest expressing that Okanogan PUD agrees with the principles establishing generation near the market but seriously questions a thermal plant that does not include carbon sequestration; therefore, the District would be interested in expressing a non-binding interest in the Pacific Mountain Energy Center only if it includes carbon sequestration. The motion unanimously carried.

**Discussion of Executive Board:** Election of officers for Energy Northwest's Executive Board will take place next month. The Okanogan PUD Board plans to review the list of candidates at the next meeting.

**5. Schedule Tour of Capital Projects:**

April 28, 2006 was selected as the date for the Commissioners to tour the proposed 2006 capital budget projects.

**6. Reschedule 5-23-06 Board Meeting:**

Okanogan PUD May 23, 2006 Board meeting was rescheduled to May 30, 2006 because of a conflict with NWPPA's annual meeting. The May 30<sup>th</sup> meeting will commence with executive session at 5:00 p.m. followed by regular session at 6:00 p.m.

**B. New Business:**

**1. Manager's Report:**

The Manager's report included the following information:

- A report showing the number of building permits issued by the County during the period 2002 – 2005. The highest activity occurred in the Methow Valley (West of Pateros and West of the Loup Loup) and in the North county.
- District wide electric usage is growing at about 2% per year. The District is likely to experience shortages around 2011 at this growth rate.
- Wireless Telecommunications - The Tonasket wireless tower is up, operational, and ready to receive customers. An easement has been obtained for a new wireless tower site in the Oroville area, which will be a significant site for internal needs with regard to Enloe Dam safety reporting requirements. Staff is working with a landowner in the Brewster area on an easement for a wireless tower site.

**2. Power Report:**

Preliminary figures for the first quarter of 2006 reflect increased volume although prices are less than expected. A full report will be available at the April 25, 2006 meeting.

**3. Meetings:**

Notification has been received from the Washington PUD Association that the Public Power and Water Tour has been canceled.

The next Okanogan PUD Board meeting is scheduled for April 25, 2006 with executive session at 5:00 p.m. followed by regular session at 6:00 p.m.

**VI. Public Comment:**

No public comments were offered.

**VII. Executive Session:**

President Johnson recessed the Commission into executive session at 3:45 p.m. for 15 minutes to discuss litigation issues, with no action anticipated.

President Johnson reconvened the Commission into regular session at 4:00 p.m.

**VIII. Adjournment:**

There being no further business to discuss, the meeting adjourned at 4:00 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President

David A. Womack, Secretary