

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

**Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
October 3, 2006  
3:00 PM**

**Present:**

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

**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Janet Crossland, Megan Morrissey, Ron Gadeberg, Steve Brown, Julie Pyper

**Public:** Trish Butler, Al Hymer

**Summary Agenda**

- I. Call to Order
- II. Review 2004/2005 Annual Reports
- III. Brewster Airport Line Extension
- IV. Nine Canyon Phase III Discussion
- V. Adjournment

**I. Call to Order:**

President Johnson called the meeting to order at 3:00 p.m.

**II. Review 2004/2005 Annual Reports:**

Staff and Commissioners reviewed the 2005 Annual Report of the District and comparative statements and analyses for the years ended December 31, 2004 and 2005.

**III. Brewster Airport Line Extension:**

Staff presented a draft Interlocal Agreement for the City of Brewster and the PUD to cooperate in the installation and extension of electrical utility facilities at the Anderson Field Municipal Airport owned and operated by the City of Brewster. The Agreement provides for the City to reimburse the PUD for the full cost of installation of said electrical utility line extension over a five-year period. The work order estimate of \$8,001 is based on the installation of an approximate 1,030' line extension.

Following discussion, the Board supported the District entering into an Interlocal Cooperation Agreement with the City of Brewster and instructed

staff to structure the Agreement to include a loan service fee similar to the terms of an energy conservation loan, which provides for a reoccurring monthly service fee of \$2.00 for every \$1,000 borrowed. The Board will take action on the matter at the October 10, 2006 meeting.

#### **IV. Nine Canyon Phase III Discussion:**

The Manager informed the Board that Energy Northwest, in developing a Power Purchase Agreement for the Phase III expansion of the Nine Canyon wind project, has requested Phase I and Phase II participants to modify their existing Power Purchase Agreements in order to meld the three phases together. The proposed amendment would extend the District's Agreement from 2023 to 2030.

The District has been acquiring information to properly assess the risks and merits of the proposed Second Amended and Restated Nine Canyon Power Purchase Agreement. Since Okanogan PUD has previously elected to not purchase Phase III generation, the District's primary concern with amending its existing Agreement would be to ensure that Okanogan's inherent risks and rewards within the Agreement are preserved or enhanced in any proposed amendment.

Energy Northwest is seeking a purchaser for 8 MW (25%) of the Phase III project after learning that one of the participants is opting out due to difficulty in acquiring transmission. Additional information will be available following a Phase III project meeting on October 6, 2006. The Okanogan PUD Board will address the matter at the October 10, 2006 meeting.

#### **V. Adjournment:**

The meeting adjourned at 6:50 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President  
David A. Womack, Secretary