

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

**Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
November 7, 2006  
12:30 PM**

**Present:**

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

**Staff:** Chuck Berrie, Doug Adams, Don Coppock, Dan Boettger,  
Warren Miller, Ron Gadeberg, Steve Brown, Julie Pyper

**Attorney:** Michael Howe

**Public:** Jeremy Pratt - Entrix, Inc.  
Chris Thew - The Chronicle  
Trish Butler

**Summary Agenda**

- I. Call to Order
- II. Approval of Agenda
- III. Consent Agenda Items
  - Minutes
  - Vouchers
- IV. Public Comment
- V. Action Agenda
  1. Power Report
  2. WECC Registration Requirements
  3. NoaNet Update
  4. Hearing on 2007 Proposed Budget
    - Enloe Dam - Entrix Presentation
    - Electric Operations and Maintenance continued
    - Cash Management Review
  5. Manager's Report
  6. 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.

**II. Approval of Agenda:**

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

### **III. Consent Agenda Items:**

The Minutes of the October 24, 2006 regular meeting and October 30, 2006 special meeting were submitted for approval.

The following vouchers were submitted for approval:

Voucher numbers 94243 through 94267 in the amount of \$237,801.85, vouchers 94268 through 94351 in the amount of \$1,595,846.81, voucher 94352 in the amount of \$2,202.63, voucher 94353 in the amount of \$320,902.00, and vouchers 94354 through 94410 in the amount of \$483,206.12.

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

### **IV. Public Comment:**

There were no public comments.

### **V. Action Agenda:**

#### ***1. Power Report:***

Ron Gadeberg reported that sales of surplus wholesale power exceeded original budget forecasts by \$93,000 for October. With total wholesale sales at about \$764,000 over budget and total retail sales at slightly over \$1 million, sales of surplus wholesale and retail power are projected to exceed original budget forecasts by \$1.8 million for 2006.

#### ***2. WECC Registration Requirements:***

Ron Gadeberg reported that the Energy Policy Act of 2005 has directed the Federal Energy Regulatory Commission to establish an electric reliability organization. The North American Electric Reliability Council was designated to establish mandatory reliability standards imposed on the electric industry (standards in the west will be enforced through the Western Electricity Coordinating Council). Since many of the standards will be in effect starting June 2007, entities such as Okanogan PUD must begin the registration process now and identify their applicable reliability functions.

#### ***3. NoaNet Update:***

Warren Miller provided a report of the October 11, 2006 NoaNet Board of Directors meeting. The 2006 year to date (September) financial report indicates that NoaNet continues to be under budget on expenses and continues to have positive earnings before interest, depreciation, taxes and amortization.

Funding proposals of \$3.5 million and \$4 million are being considered for the 2006 line of credit (Okanogan PUD's share would be \$192,500 or \$220,000 respectively). With two major owners absent from the meeting, a resolution could be expected at the November 8, 2006 NoaNet Board meeting that would include a combination of member funding and guaranteeing.

NoaNet is still working on a large capacity sale in the Mid-Columbia area, with proposed service to start January 2007.

#### *4. Hearing on 2007 Proposed Budget:*

Jeremy Pratt of Entrix, Inc. provided an update on the Enloe Dam licensing process and the 2006/2007 budgets. Entrix anticipates utilizing \$750,000 of the authorized \$944,000 2006 budget by year end. The freeze core sampling that was postponed due to high waters will be included in a 2007 carryover of \$100,000 for work budgeted and planned in 2006. A detailed 2007 budget to complete studies and develop a license application will be presented at the November 21, 2006 meeting.

The Commissioners and staff reviewed revisions to the proposed 2007 budget and cash management funding levels. The hearing on the adoption of the 2007 budget was continued to the next meeting on November 21, 2006 at 12:30 p.m.

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

A letter was received from BPA acknowledging that Okanogan PUD has lost a portion of its contract right to purchase Wells Dam output equal to 4.5% as a result of the Settlement Agreement which Douglas PUD reached with the Colville Confederated Tribe to resolve a land dispute under the FERC license for the Wells project. Under Exhibit C of the Block and Slice Power Sales Agreement, BPA will reduce Okanogan's current Wells Dam project output equal to this amount of power lost.

Equipment is being installed this week at the McClure Mountain wireless telecommunications site in Twisp. The tower is expected to be operational the end of November.

#### *6. Meetings:*

Commissioner Bolz reported on the proceedings of the Energy Northwest Board of Directors meetings that he attended in Richland on October 25-26, 2006.

The next Okanogan PUD Board meeting is scheduled on November 21, 2006 at 12:30 p.m. at the Okanogan PUD auditorium.

**VI. Public Comment:**

There were no public comments.

**VII. Executive Session:**

President Johnson recessed the Commission into executive session at 2:45 p.m. for 25 minutes to discuss litigation and personnel, with no action anticipated. The Commission reconvened into regular session at 3:15 p.m. and immediately recessed into executive session for an additional 10 minutes.

President Johnson reconvened the Commission into regular session at 3:25 p.m.

**VIII. Adjournment:**

The meeting adjourned at 3:25 p.m.

Donald W. Johnson, President

ATTEST:

Ernest J. Bolz, Vice-President

David A. Womack, Secretary