

**Minutes of the Special Meeting of the Okanogan County
Public Utility District Board of Commissioners
Held at the Twisp Valley Grange on April 6, 2004**

Present:

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| Board: | David Womack, Darrel Bunch, Donald Johnson |
| Staff: | Chuck Berrie, Don Coppock, Larry Felton, Derek Miller, Kathy Gordon, Don Clutter, Steve Brown, Debra Peters, Julie Pyper |
| Public: | Rebecca Meadows, Esther Johnson, Sharon Berrie, Mary Womack, Paula Brown, Rosey Hough, Brian Kirchner, C. Kirchner, John Hanron, Billie Eiffert Somerville, William Colyar, Randee Colyar, Teresa Allen, Mike Price, Robin Baire, Cheryl Wrangler, Vicki Wilson, Mike Ferris, Rebecca Harwood, Sybil Macapia, Bob Lloyd, Vern Donnet |

President Womack called the meeting to order at 6:00 p.m., and announced that tonight's meeting would be the first in a series of evening meetings to be held throughout the county.

Summary Agenda

1. Public Comment
2. Resolution No. 1275 - To Set a Regular Meeting Schedule of the Board of Commissioners
3. Twisp Office Contract
4. Frequently Asked Questions •Rates, •Diesel, •Fiber
5. Pateros/Twisp Transmission Line Information
6. General Questions/Answers
7. Meetings

1. Public Comment:

John Umberger requested a review of the Pateros/Twisp transmission line EIS, and noted that reliable power is badly needed.

Mike Ferris addressed the Board as Executive Director of the Okanogan Communities Development Council, which is an economic development organization that supports sustainable and ecological businesses in Okanogan County. Mr. Ferris requested the PUD participate with OCDC in biomass/cogeneration studies that utilize small diameter wood.

2. Resolution No. 1275 - To Set a Regular Meeting Schedule of the Board of Commissioners:

Acting Manager Chuck Berrie introduced Resolution No. 1275, which cancels Resolution No. 774 and sets a regular meeting schedule of the Board of Commissioners. Resolution No. 1275 provides for meetings the first, second and third Tuesday at 8:30 a.m. at the PUD office in Okanogan, and the fourth and fifth Tuesday of the month to be held at 6:00 p.m. at a location to be determined. Resolution No. 1275 also provides for an agenda to be prepared in advance, including meeting location, and posted according to the applicable RCWs. Because it is not the intent of the Commissioners to meet every Tuesday, a notice of cancellation will be given in the event a meeting is canceled.

Commissioner Bunch moved, and Commissioner Johnson seconded, to adopt Resolution No. 1275. The motion carried.

3. Twisp Office Contract:

Director of Finance Don Coppock presented a revised Lease and Service Agreement between the Methow Valley Community Center and the District, which outlines the terms by which MVCC will provide office space and staff to perform customer service on behalf of the District. The Lease and Service Agreement is for a term commencing April 1, 2004 and provides for a facility rental fee of \$300/month and a service fee of \$2,500/month, with the District to be responsible for providing and maintaining, at its cost, materials, supplies and equipment for MVCC to perform the required services.

Commissioner Bunch moved, and Commissioner Johnson seconded, to enter into a Lease and Service Agreement with the Methow Valley Community Center commencing April 1, 2004, and authorized the Manager or designated staff member to sign the Agreement, which includes a facility rental fee of \$300/month and a service fee of \$2,500/month, with the District to be responsible for providing and maintaining, at its cost, materials, supplies and equipment for MVCC to perform the required services. The motion carried.

4. Frequently Asked Questions •Rates, •Diesel, •Fiber

Chuck Berrie delivered a presentation on the following issues of interest:

- Diesel generators -- litigation, current status and future plans.
- Stream-flow projections and comparisons.
- Power market price comparisons.

- Renewable energy projects, including the District's participation in the Nine Canyon Wind Farm which meets approximately 7% of the energy requirements for Okanogan PUD; proposed SNAP program; and the District's ongoing interest in promoting and participating in biomass cogeneration facilities.
- Impact of BPA, diesel and telecommunications on the rates, including a breakdown detailing the approximated components of a \$200 utility bill.
- Fiber-optic system update.

5. Pateros/Twisp Transmission Line Information:

Chuck Berrie presented information on the Methow Valley electrical system, including a general description of the system, history including past upgrades, purpose and need for new upgrades, the EIS process, timelines for the EIS and proposed future construction schedule. Mr. Berrie noted the District is focused on meeting the electrical needs of the entire Methow Valley, while being environmentally, fiscally and operationally responsible.

6. General Questions/Answers:

Mike Ferris said he believes the biomass alternative should be a long-term solution.

Sybil Macapia commented on her dissatisfaction with the District's decision to purchase the diesel generators.

Rosey Hough encouraged the community to move forward.

John Umberger noted that the PUD made the right decision with respect to the diesel generators.

Vern Donnet commented on the price of power and the feasibility of upgrading the line.

7. Meetings:

The next Okanogan PUD Board meeting is scheduled for 8:30 a.m., April 13, 2004 at the Okanogan PUD Auditorium.

There being no further business to discuss, the meeting adjourned at 8:50 p.m.

David A. Womack, President

ATTEST:

Darrel E. Bunch, Vice-President
Donald W. Johnson, Secretary