

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

**Okanogan PUD Auditorium  
1331 2nd Avenue North, Okanogan, WA  
July 5, 2005  
8:30 a.m.**

**Present:**

**Board:** Ernest Bolz, David Womack, Donald Johnson  
**Staff:** Chuck Berrie, Doug Adams, Debra Peters, Steve Brown, Julie Pyper  
**Other:** Michael Howe - Legal Counsel  
Ron Whiteside - Okanogan County Community Action Council  
**Public:** Rebecca Meadows - KOZI Radio  
Chris Thew - The Chronicle

**Summary Agenda**

1. Call to Order
2. Additions/Deletions to Agenda
3. Public Comment
4. Okanogan County Community Action Council/  
Energy Matchmakers Program
5. Resolution No. 1296/Amending Board Meeting Schedule
6. Resolution No. 1298/ Energy Northwest IGCC Development
7. Washington PUD Association/Office Building
8. Enloe Dam Licensing Budget Discussion
9. Manager's Report
10. Power Supply Report
11. Public Comment
12. Meetings
13. Approval of Minutes
14. Approval of Work Orders
15. Approval of Vouchers
16. Executive Session
17. Adjournment

**1. Call to Order:**

President Bolz called the meeting to order at 8:30 a.m.

**2. Additions/Deletions to Agenda:**

President Bolz postponed until a later date the discussion on Draft Resolution No. 1297 amending rules and procedures of Board meetings.

### **3. Public Comment:**

No public comment was offered.

### **4. Okanogan County Community Action Council/Energy Matchmakers Program:**

Ron Whiteside, Housing Manager for Okanogan County Community Action Council, requested the PUD's continued participation in funding weatherization measures for low-income households. Okanogan PUD's Low-Income Weatherization Program is funded under the Energy Matchmakers Program, which provides State matching funds equal to the District's funding level. The OCCAC administers the program for the PUD under guidelines adopted by the District and State for PUD users that have their primary heat source as electric and are high energy users or meet Federal guidelines for weatherization.

Commissioner Womack moved, seconded by Commissioner Johnson, to authorize the Manager to sign the necessary documentation to enter into a Contract in the amount of \$120,666.00 (two payments of \$60,333.00) with Okanogan County Community Action Council effective July 1, 2005 through July 31, 2007 to install cost-effective weatherization and conservation measures under the State of Washington Energy Matchmakers Program to qualifying PUD customers. The motion unanimously carried.

### **5. Resolution No. 1296/Amending Board Meeting Schedule:**

The Board reviewed Resolution No. 1296 setting a regular meeting schedule. Following discussion, the Resolution was amended to set the meeting schedule commencing August 2005 on the first, second and third Tuesday at 12:30 p.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. The meetings will convene with public comment and may be followed by executive session, which will not exceed one hour. Upon completion of executive session, the Board will reconvene and conduct the remainder of the public meeting.

Commissioner Johnson moved, seconded by Commissioner Womack, to adopt Resolution No. 1296 as amended. The motion unanimously carried.

The next Okanogan PUD Board meeting is scheduled for 6:00 p.m., July 26, 2005 at the Okanogan PUD Auditorium. The following meetings were set under the new schedule:

August 9 12:30 p.m. Okanogan PUD Auditorium  
August 23 6:00 p.m. At a location to be determined  
September 6 12:30 p.m. Okanogan PUD Auditorium  
September 20 12:30 p.m. Okanogan PUD Auditorium  
October 4 12:30 p.m. Okanogan PUD Auditorium  
October 18 12:30 p.m. Okanogan PUD Auditorium

#### **6. Resolution No. 1298/Energy Northwest/IGCC Development:**

The Board addressed Resolution No. 1298 approving Energy Northwest's undertaking of the Integrated Gasification Combined Cycle Project.

Commissioner Johnson moved, seconded by Commissioner Womack, to adopt Resolution No. 1298 embracing Energy Northwest's feasibility study for the Integrated Gasification Combined Cycle study project in Western Washington. The motion unanimously carried.

#### **7. Washington PUD Association/Office Building:**

The Commissioners discussed the decision before the Washington PUD Board dealing with how to proceed in construction of the Association's Olympia office building. The WPUA Board will vote July 15, 2005 on the recommendation of the Building Committee to construct option one - a 16,800 square foot building.

Okanogan PUD supports a smaller building and the individual member choice financing option of three equal payments. As the District's voting delegate, Commissioner Womack will vote against the larger building; however, in the event the vote carries, he will indicate the District's preference for the financing option of three equal payments.

#### **8. Enloe Dam Licensing Budget Discussion:**

Manager Berrie recommended extending the Professional Services Agreements of Entrix, Inc. for an additional amount not to exceed \$75,000.00 and Water and Energy Services Corporation (Wescorp) for an additional amount not to exceed \$50,000.00. Entrix and Wescorp are assisting the District in developing the FERC License Application for the Enloe Hydroelectric Project for filing under the traditional licensing process deadline of July 23, 2005. Berrie noted that the consultants commenced work under his limited authority of \$25,000.00.

Commissioner Johnson moved, seconded by Commissioner Womack, to extend the Professional Services Agreements of Entrix, Inc. for an additional amount not to exceed \$75,000.00 and Water and Energy Services Corporation for an additional amount not to exceed \$50,000.00 (to assist the District in developing

the FERC License Application for the Enloe Hydroelectric Project). The motion unanimously carried.

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

The 2002 and 2003 PUD annual reports have been completed and are available for review.

The 96-hour test on a single diesel generator was completed last week. Testing parameters are currently being evaluated. A 96-hour test on three units per week begins today.

The Commissioners received a copy of a letter sent to the Attorney General's office by Paul Grosvenor on behalf of the Merc Playhouse alleging the District's conservation loan service fee violates the Usury Law and is unfair and deceptive.

#### **10. Power Supply Report:**

In a press release dated June 30, 2005, BPA announced plans to provide 577 megawatts of benefits at a cost capped at \$59 million per year to three Northwest aluminum companies and one paper mill, also known as direct service industries (DSIs).

The District has entered into an agreement with Energy Northwest to sell green certificates (tags) associated with the production of renewable energy from the Nine Canyon Wind Farm. The District will sell 8,855 tags at a price of \$2.79 per tag between now and the end of 2005 for a benefit of \$24,705.45.

#### **11. Public Comment:**

No public comment was offered.

#### **12. Meetings:**

The Commissioners will tour the Chelan PUD control center on July 15, 2005 at 1:30 p.m. in conjunction with the Washington PUD Association meetings at Douglas County PUD on July 14-15, 2005.

#### **13. Approval of Minutes:**

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the Minutes of the June 28, 2005 regular meeting.

Commissioner Johnson moved, seconded by Commissioner Bolz, to amend Item 8 - Marten Law Group Proposal to include the following language:

Commissioner Johnson pointed out that the PUD has already contracted for a total of more than \$1 million with FW/Tetra Tech and the USFS to review and respond to EIS comments.

The motion unanimously carried.

The motion to approve the June 28, 2005 Minutes as amended unanimously carried.

#### **14. Approval of Work Orders:**

The following work orders were submitted for approval:

05-0322 Diebel Welding, 2254 Elmway, Okanogan \$3,145.00  
05-0330 District, E. River Rd. 9,804.00

Total \$12,949.00

Commissioner Womack moved, seconded by Commissioner Johnson, to approve the work orders. The motion unanimously carried.

#### **15. Approval of Vouchers:**

Voucher No.'s 87511 through 87568 in the amount of \$454,149.87 were submitted for payment from the revenue fund.

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the vouchers. The motion unanimously carried.

#### **16. Executive Session:**

President Bolz recessed the Commission into executive session at 10:06 a.m. to discuss litigation.

President Bolz reconvened the Commission into regular session at 10:20 a.m.

#### **17. Adjournment:**

There being no further business to discuss, the meeting adjourned at 10:20 a.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary