

**Minutes of the Special Meeting of the Board of Commissioners
of Public Utility District No. 1 of Okanogan County**

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
October 31, 2005
3:00 p.m.**

Present:

Board: Ernest Bolz, David Womack, Donald Johnson

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

Public: Chris Thew

Summary Agenda

1. Call to Order
2. Additions/Deletions to Agenda
3. Enloe Dam/Water Storage Project Preconstruction Grant Application
4. 2006 Budget Planning
5. Executive Session
6. Adjournment

1. Call to Order:

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

2. Additions/Deletions to Agenda:

Manager Berrie added a 30-minute executive session at the end of the agenda, and a discussion on a water storage project preconstruction grant application for Enloe Dam.

3. Enloe Dam/Water Storage Project Preconstruction Grant Application:

Power Resource Engineer Larry Felton briefed the Board on an opportunity for Okanogan PUD and the City of Oroville to cooperatively apply for a Water Storage Project Preconstruction Grant with the Department of Ecology. The District is proposing to add water storage to the Enloe Dam Hydroelectric Project to help solve an important water supply need in the region. Grant funds would be used to defray the costs that would be incurred by adding this component to the Hydroelectric Project.

The Board authorized the Manager to submit to the Department of Ecology a Water Storage Project Preconstruction Grant Application for the Enloe Dam Hydroelectric Project.

4. 2006 Budget Planning:

Staff provided additional information on departmental training needs and associated costs. Following discussion, the Board supported pursuing the allocation of \$100,000 of the 2006 budget for travel and training requirements while describing departmental needs and priorities.

A five-year electric plant improvement plan detailing costs for distribution and transmission improvements was presented. Staff also reviewed proposed buildings/property/equipment upgrades, as well as a replacement schedule for vehicles and equipment.

A 1.3% retail load increase is expected in 2006. Power supply costs for calendar year 2006 are estimated at \$21.9 million less \$8.0 million in wholesale revenue, for a net of \$13.9 (22.0 mills) to serve the total retail load.

Information on purchased power and secondary sales, and telecom capital expenditures will be presented at the budget workshop scheduled for 3:00 p.m., November 21, 2005, at the Okanogan PUD Auditorium.

5. Executive Session:

President Bolz recessed the Commission into executive session at 5:30 p.m. for 30 minutes to discuss litigation issues, with no action anticipated.

President Bolz reconvened the Commission into regular session at 5:50 p.m.

6. Adjournment:

There being no further business to discuss, the meeting adjourned at 5:50 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary