

**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
November 28, 2005
3:00 p.m.**

Present:

Board: Ernest Bolz, David Womack, Donald Johnson

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

Summary Agenda

1. Call to Order
2. 2006 Budget Planning
3. Adjournment

1. Call to Order:

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

2. 2006 Budget Planning:

Director of Finance/Auditor Don Coppock presented a revenue and preliminary budget overview. The proposed 2006 budget anticipates a transfer from reserves of \$4,237,639, which includes a large percentage for capital projects and equipment expenditures. Under normal operations, the cost of purchased power is estimated to increase by \$1.2 million from \$21,275,000 to \$22,431,006; this was attributed to an increase of about 20% in transmission costs. Total electric and telecom sales are estimated at \$37,800,000.

With regard to bond repayment, Coppock noted that the one-time optional redemption on December 1, 2005 applies only to the taxable portion of bonds and requires 30 days' notice. Because the diesel generators sale did not occur in time for proper notice, the District will not pursue the option of bond prepayment at this time.

There was discussion on electric rates and the future needs of the District. The Board will address the appropriate level of reserves and essential capital improvements during the rates discussion at the December 6, 2005 meeting. The budget is expected to be approved at the December 13, 2005 meeting.

3. Adjournment:

There being no further business to discuss, the meeting adjourned at 6:00 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary