

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

**Okanogan PUD Auditorium
1331 2nd Avenue North, Okanogan, WA
December 13, 2005
12:30 p.m.**

Present:

Board: David Womack, Donald Johnson

Staff: Chuck Berrie, Doug Adams, Don Coppock, Larry Felton, Dan Boettger, Jeff Deason, Steve Brown, Julie Pyper

Attorney: Michael Howe

Public: Greg Reub, Diana Yeckel, Chris Thew, Roy Webster, Laura Clark, Dave Demyan, Tara Felder, Mike Ferris, John Newcom

Summary Agenda

1. Call to Order
2. Executive Session
3. Additions/Deletions to Agenda
4. Public Comment
5. Entrix, Inc./Enloe Dam Update
6. Okanogan County Biomass Partnership
7. 2006 Budget Approval/Resolution No. 1308
8. Pension Plan Amendment/Resolution No. 1307
9. Tree Replacement Program
10. Manager's Report
11. Power Supply Report
12. Public Comment
13. Meetings
14. Approval of Minutes
15. Approval of Work Orders
16. Approval of Vouchers
17. Adjournment

1. Call to Order:

Vice President Womack called the meeting to order at 12:30 p.m.

2. Executive Session:

Vice President Womack recessed the Commission into executive session at 12:30 p.m. for one hour to discuss personnel and potential litigation.

Vice President Womack reconvened the Commission into regular session at 1:30 p.m.

3. Additions/Deletions to Agenda:

Manager Berrie added to the agenda a discussion on the Board meeting schedule.

Commissioner Johnson suggested the Okanogan County Biomass Partnership update be discussed prior to the budget approval discussion.

4. Public Comment:

Diana Yeckel of Okanogan County Community Action Council discussed the energy assistance needs in the county and asked the Commissioners to consider a rate decrease when addressing the 2006 budget.

Roy Webster recognized staff's efforts with regard to the Enloe Dam project.

5. Entrix, Inc./Enloe Dam Update:

PUD Power Resource Engineer Larry Felton and Entrix, Inc.'s fisheries consultant Greg Reub presented an overview of the traditional licensing process for the Enloe Dam Hydroelectric Project and the proposed 2006 budget. The project has been issued a preliminary permit by the Federal Energy Regulatory Commission, and by the end of 2006 or early 2007 the District anticipates filing a draft license application with FERC.

The 2006 budget of \$850,000 includes Entrix, Inc.'s licensing preparation fees of \$600,000, miscellaneous engineering and legal fees of \$200,000, and \$50,000 for hardware/software to implement new Emergency Action Plan procedures.

6. Okanogan County Biomass Partnership:

Laura Clark and other representatives of the Okanogan County Biomass Partnership provided an update on the proposed woody biomass feasibility study.

The Manager and Commissioners discussed their interest in expanding the project to explore alternate generation sites in the County, i.e. the Zosel Lumber Mill in Oroville and the Colville Tribal Mill.

Commissioner Johnson moved, seconded by Commissioner Womack, to commit \$20,000 to the Okanogan County Biomass Partnership Feasibility Study, and authorized the Manager to execute a letter of commitment prior to January 10, 2006, coordinate a Scope of Work with Energy Northwest that involves

expanded alternate generation sites, and execute an Agreement up to \$20,000. The motion unanimously carried.

7. 2006 Budget Approval/Resolution No. 1308:

Director of Finance Don Coppock presented changes to the budget between the preliminary and final, and Resolution No. 1308 adopting the final budget for 2006. The budget anticipates receipts by the Revenue Fund during 2006 in the amount of \$41,914,000, normal operating expenditures of \$37,140,460 and a transfer from reserves of \$5,164,310.

Commissioner Johnson moved, seconded by Commissioner Womack, to adopt Resolution No. 1308 as modified. The motion unanimously carried.

8. Pension Plan Amendment/Resolution No. 1307:

Don Coppock presented Resolution No. 1307 amending the District's Internal Revenue Code Section 401A Defined Contribution Employee Pension Plan. The provisions of the mandatory distribution amendment apply to distributions made on or after March 28, 2005.

Commissioner Johnson moved, seconded by Commissioner Womack, to adopt Resolution No. 1307. The motion unanimously carried.

9. Tree Replacement Program:

The Board considered revisions to the District's Tree Replacement Program guidelines.

Commissioner Johnson moved, seconded by Commissioner Womack, to direct the Manager to put in place the Tree Replacement Program as presented. The motion unanimously carried.

10. Manager's Report:

Manager Berrie reported that Okanogan County Public Health Administrator Paul Waterstrat discussed plans to pursue grant funding for medical records management and the County's interest in utilizing the PUD's telecom infrastructure.

Berrie announced that former PUD manager Harlan Warner was selected to receive the Washington PUD Association 2005 Lifetime Achievement Award.

11. Power Supply Report:

Larry Felton reported that the District budgeted for an anticipated surplus of \$200,000 for the month of December for wholesale power purchases; however, the District now expects to end the month with a \$270,000 deficit due to the continuing cold snap and constraints placed on the Columbia River hydropower system for salmon restoration activities. Overall, the District expects to end the year with a positive balance. A year-end report will be presented to the Board in early in 2006.

12. Public Comment:

Roy Webster inquired about the city occupation tax.

13. Meetings:

Commissioner Womack reported that he attended the Washington PUD Association annual meeting in Spokane on December 7-9, 2005.

The next Okanogan PUD Board meeting is scheduled for January 10, 2006 at the Okanogan PUD Auditorium with executive session at 12:30 p.m. followed by public comment at 1:30 p.m.

The Board meeting schedule was revised as follows:

01/17/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
2:30 p.m. Regular Meeting

01/31/06 Location to be Determined 5:00 p.m. Executive Session
6:00 p.m. Regular Meeting

02/14/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

02/28/06 Location to be determined 5:00 p.m. Executive Session
6:00 p.m. Regular Meeting

03/07/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

03/21/06 Okanogan PUD Auditorium 12:30 p.m. Executive Session
1:30 p.m. Regular Meeting

14. Approval of Minutes:

Commissioner Johnson moved, seconded by Commissioner Womack, to approve the Minutes of the December 6, 2005 regular meeting. The motion unanimously carried.

15. Approval of Work Orders:

The following work orders were submitted for approval:

05-0490	District/Zosel, Zosel Mill	\$3,235.00
05-0535	Ed Craig, 240-B Nigg Dr.	1,521.00
05-0555	Lynn Barnett, Old Hwy. 97	796.00
05-0557	District, Okanogan County Fairgrounds	17,618.00
05-0560	Howard Asmussen, Airport Rd., Tonasket	1,324.00
05-0561	Jerry Utt, 31153-A Hwy. 97	1,618.00
05-0563	Tony Walter, 821 Loomis Rd.	2,221.00
05-0566	Mike Kaiser, Choice Auto	5,421.00
05-0567	John Wall, 164-A Hwy. 153	933.00
05-0568	Eagle Rock Developments, Emery St.	1,139.00
05-0571	George Frank, Foggy River Loop	3,143.00
	Total	\$38,969.00

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

16. Approval of Vouchers:

Voucher No.'s 89662 through 89663 in the amount of \$87,521.19, No.'s 89664 through 89688 in the amount of \$215,730.17, and No.'s 89689 through 89811 in the amount of \$438,364.04 were submitted for payment from the revenue fund.

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

17. Adjournment:

There being no further business to discuss, the meeting adjourned at 3:50 p.m.

Ernest J. Bolz, President

ATTEST:

David A. Womack, Vice-President

Donald W. Johnson, Secretary