

February 3, 2016

Subject: Solicitation for a new owner of the existing Enloe Powerhouse

To Interested Parties,

Public Utility District No. 1 of Okanogan County (District) is soliciting proposals from: community groups, qualified non-profit groups, state, federal, or local government agencies, or other qualified parties to assume ownership of the 1920 Enloe Dam Powerhouse (existing Enloe Powerhouse) and adapt it for an alternative use. The existing Enloe Powerhouse is situated on the hillside, above the Similkameen River, approximately 3.5 miles from the town of Oroville in scenic Okanogan County.

To be determined as "qualified," applicants should have a demonstrated capacity and capability to adapt and utilize the facility for a recreational, historical, and/or community use. Consideration will also be given for proposals of an appropriate commercial, or mixed-use that maintains the historic character of the powerhouse.

Interested parties are invited to respond with a letter of interest outlining their organizational structure and their proposed use of the powerhouse. Additional details on the information requested in the letter are provided in Attachment 1, Considerations for Acquiring, Owning, and Managing the Existing Enloe Powerhouse. The document also provides more information on the requirements and obligations associated with the transfer, ownership and management, and a discussion of the issues that would need to be addressed by a prospective owner. The District will review any letters received, contact respondents by mail or phone to discuss interest and, if warranted, establish a process for further discussion.

Letters of interest should be mailed to:

Jeri Timm
Environmental Coordinator
Public Utility District No. 1 of Okanogan County
1331 2nd Ave N.
P.O. Box 912
Okanogan, WA 98840
Phone: (509) 422-8472
Fax: (509) 422-4020

Sincerely,



Jeri Timm

Environmental Coordinator
Public Utility District No. 1 of Okanogan County

Public Utility District No. 1 of Okanogan County

Enloe Dam Hydroelectric Project

FERC Project NO. 12569

CONSIDERATIONS FOR ACQUIRING, OWNING, AND MANAGING THE EXISTING
ENLOE POWERHOUSE

Section 1.0 Introduction

The Public Utility District No. 1 of Okanogan County (District) has received a license to develop and operate the Enloe Dam Hydroelectric Project, FERC No. 12569 (Project). As part of the Project, the District plans to develop a new powerhouse. As the existing powerhouse will no longer be used, the District has proposed to demolish the existing Enloe Powerhouse. However, the District is requesting proposals from other entities interested in assuming ownership of the existing Enloe Powerhouse to adapt and preserve for appropriate new use(s) for the public benefit. The following guidance document discusses the solicitation process, requirements and obligations associated with the transfer of ownership and management, maintenance of essential facilities, required ownership transfers, institutional obligations, and potential permits and upgrades that may be needed.

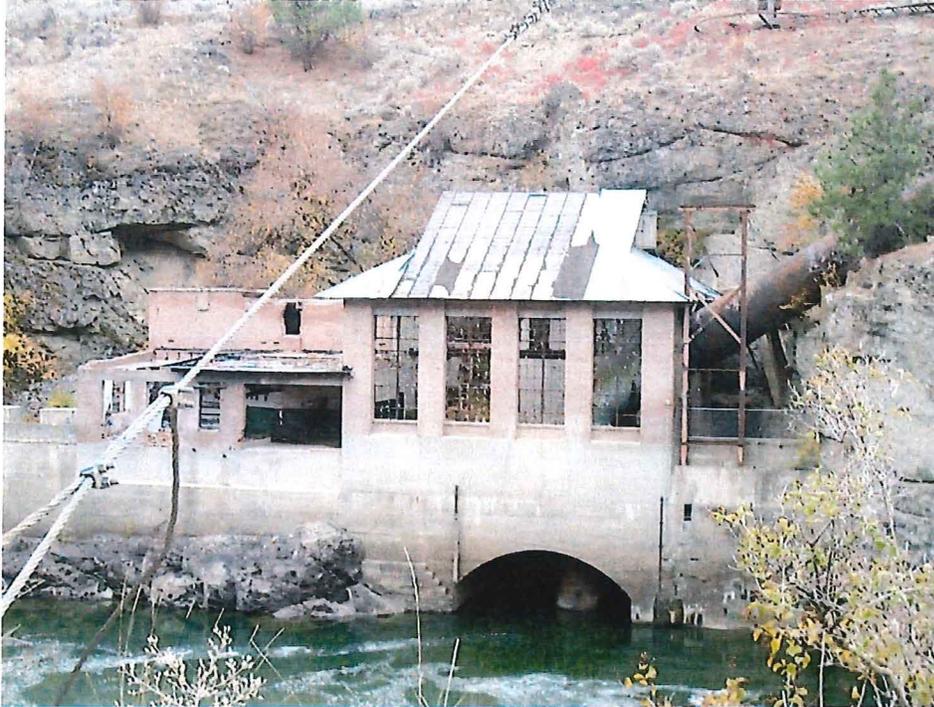
1.1 Project Description

Enloe Dam is located in Okanogan County, Washington approximately 3.5 miles from the town of Oroville in scenic Okanogan County near the Canadian border. The existing Enloe Powerhouse is situated on the hillside above the Similkameen River. Constructed in 1920, the existing Enloe Powerhouse is listed in the National Register of Historic Places (National Register). The complete text of the nomination to the National Register for the Enloe Dam and existing Enloe Powerhouse is available on the Department of Archaeology and Historic Preservation's website at: <https://fortress.wa.gov/dahp/wisaard/documents/RN/0/1/1428.pdf>. Additional documentation of the historic features of the Enloe Dam and existing Enloe Powerhouse is available in the Historic American Building Survey report. This report is available from the digital collection of the Library of Congress <http://www.loc.gov/pictures/collection/hh/item/wa0183/>. Depending upon future use and ownership, prospective owners may benefit from incentives for the preservation and appropriate management of the existing Enloe Powerhouse.

The building sits on a poured concrete foundation and measures 83 by 40 feet. The exterior walls are clad with red brick. Multi-pane metal windows provide expansive views of the river. The interior of the building is divided into three primary spaces. The largest room originally housed the generating room. This room is 41 feet high and is covered by a corrugated steel roof supported by a steel king truss. Two smaller rooms are located off of this room and have lower ceiling heights. The building has been unused for many years and many of the elements including the roof and windows would require repairs or retrofitting depending on the proposed use.

The location of the existing Enloe Powerhouse affords numerous opportunities to participate in nearby tourism and recreational activities including mining and fishing. The location is also close to the recently created Similkameen River trail and other opportunities for hiking. Wine tasting is

available both in Washington and in the nearby Okanagan Wine Region of Canada. In addition to the Enloe Dam, there are other historic sites in the region including the Grand Coulee Dam.



View of the existing Enloe Powerhouse

Section 2.0 Considerations and Operation Issues

After the completion of construction for the facilities related to the Project, if another entity were interested in the future ownership of the existing Enloe Powerhouse the District is supportive, so long as all regulatory and legal requirements are met, the facilities are adequately maintained, and District retains no future legal, financial, or other obligations. The District has identified the following issues that may need to be addressed by a prospective owner. As mentioned previously, the District cannot anticipate all of the potential issues involved in seeking to adaptively maintain and operate the existing Enloe Powerhouse. Consequently, this list is not intended to be exclusive, exhaustive, or definitive.

- Identify a future use of the old Enloe Powerhouse that would be compatible with the District's continued use of the land for the operation of the dam and in compliance with BLM's requirement to manage public lands under the principles of multiple use and sustained yield in accordance with available land use plans developed under Section 202 of FLPMA and any existing BLM right-of-way grants;
- Upgrade to meet seismic retrofit requirements;

- Assume liability for future operation and maintenance for an appropriate alternate use; and
- Obtain Federal Energy Regulatory Commission (FERC), Washington State Historic Preservation Office (WA SHPO), Bureau of Land Management (BLM), and other regulatory approvals that may be necessary.

2.1 Land Transfers and Access

The District owns the existing Enloe Powerhouse. The land beneath the existing Enloe Powerhouse and adjacent land is owned by the United States and managed by the BLM. If a qualified party is identified by the District, the new owner will need to have the existing right-of-way assigned to them. Any new uses must be consistent with the existing right-of-way. If changes of use are proposed that are beyond the existing right-of-way, a new right-of-way will need to be issued. The transfer of the existing Powerhouse structure is subject to certain regulatory and legal requirements, as discussed in Section 2.2 below.

2.2 Involvement/Approval of Other Entities

The Project's FERC licensing process involved consultation with State and Federal resource agencies and environmental groups including FERC, BLM, and the SHPO. The Project's Programmatic Agreement (PA) and Historic Property Management Plan (HPMP) identify District requirements regarding the management of cultural resources and the existing Enloe Powerhouse. Continued consultation with these parties regarding the transfer of ownership of the existing Enloe Powerhouse is required as part of the District's implementation of the PA and the HPMP. A Memorandum of Agreement (MOA) would likely be required between these organizations and a new owner that specifies the conditions of the transfer and responsibilities for preservation of the facility.

2.3 Required Facility Improvements and Maintenance

Existing Enloe Powerhouse

In order to make the existing Enloe Powerhouse suitable for public use, the following activities and modifications may need to be made depending on the specific proposed uses: site planning to improve pedestrian access; construction of public restrooms; repair of the building envelope including the roof; updating the electrical service; and seismic retrofitting to a level necessary for public use. Commitment to ongoing repair and maintenance needs such as waste removal, removing snow loads, and addressing security concerns are also an expectation of the new owner.

2.4 Potential Liabilities Associated with the existing Enloe Powerhouse

Public use liabilities associated with the existing Enloe Powerhouse include potential exposure to polychlorinated biphenyls (PCBs). A site inspection was performed by the Washington State Department of Ecology in 1988 to assess the potential contamination from PCBs from a transformer oil spill. This inspection concluded that the level of PCBs “would not be expected to result in significant exposure to the general population” (Department of Ecology 1988). The District will provide this documentation to interested parties upon request. This inspection did not fully characterize the site or identify all possible hazardous materials. Future studies would be the responsibility of the potential owner.

2.5 Transfer and Upgrade Costs and Potential Incentives

In addition to the maintenance costs, there are other costs associated with the transfer and permitting of the existing Enloe Powerhouse for future public use including seismic retrofit. Conditions established as the result of consultation with the WA SHPO and FERC under Section 106 of the National Historic Preservation Act may also apply to the transfer and upgrades. The District has not estimated what the transfer and upgrade costs would be at this time.

Additional issues, beyond those identified herein, that would need to be addressed by a prospective owner or manager may arise in the course of transferring ownership. Entities interested in owning the existing Enloe Powerhouse are advised to conduct their own due diligence, including consulting with the various agencies of jurisdiction as to the applicable regulations and requirements. Representatives of the District, the BLM, and the DAHP are available to address questions regarding the requirements of those agencies. Please refer to Section 3.1 for contact information.

Depending upon the proposed use of the powerhouse, the potential owner may be eligible for preservation tax incentives. Additional information on the programs is available at <http://www.dahp.wa.gov/tax-credits> and <http://www.nps.gov/tps/tax-incentives.htm>.

Section 3.0 Response and Review Process

3.1 Additional Information

The District is available to meet with interested entities to discuss future ownership of the existing Enloe Powerhouse. The District will provide tours of the existing facilities to interested entities upon request. The District’s website will be updated with information on the solicitation process. This information can be located at: <https://www.okanoganpud.org>.

3.2 Response Process

The District is requesting that parties respond with a letter that describes their interest and potential use for the existing Enloe Powerhouse. The letter should provide the following:

- Name of organization;
- Principal contact person;
- Contact information: Address, Telephone, Fax, Email;
- Names, roles and contact information for any major teaming partners;
- An overview of the organization including legal structure, mission, history, location, accomplishments, and personnel resources;
- A description of the organization's experience managing facilities and land for public uses, especially those historical and/or recreation in nature; and
- A description of the proposed use of the facility.

3.3 Selection Process

Letters will be shared with the WA SHPO, BLM, and FERC. If multiple letters are received they will be judged based upon the following criteria and the information provided in Section 3.2:

- Financial ability of the party to adapt and maintain the powerhouse;
- Experience with renovation and management of historic resources; and
- Level of opportunities provided by the proposer for recreation, public access, public education, and preservation of the heritage values associated with the powerhouse and the region.

Interested parties should contact, Jeri Timm, Environmental Coordinator at (509) 422-8472 or email at jerit@okpud.org.