

MINUTES OF REGULAR MEETING (STUDY SESSION) OF THE COMMISSION
OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON

March 6, 2006

The regular meeting (study session) of the Commission of Public Utility District No. 1 of Chelan County, Washington, was held in the office of the District, 327 North Wenatchee Avenue, Wenatchee, Washington, on March 6, 2006, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were, Gary L. Montague, Norm Gutzwiler, Ann Congdon and Werner Janssen. In attendance were Acting General Manager Joe Jarvis, General Counsel Carol Wardell and Interim Clerk of the Board Melisa McPherrin. Various staff members also in attendance.

Others in attendance: Tim Breen, David Frisk, Evelyn Gilbert, Bill Stokes, Ana Fuentes, Denise Navarro and Christine Pratt (Wenatchee World).

The following resolution was presented by staff:

RESOLUTION NO. 06-12859 APPROVING FIELD WORK ORDER NO. 1 TO
CONTRACT 02-44 WITH NORTHWEST TELEPHONE, INC. TO PROVIDE LOCAL
TELEPHONE EXCHANGE SERVICES

Motion was made by Commissioner Janssen and seconded by Commissioner Congdon to adopt Resolution No. 06-12859. The question was called for and the motion carried unanimously to adopt the resolution, which is on file in the office of the District.

Director of Fish and Wildlife Shaun Seaman and Fisheries Program Manager Chuck Peven provided Commissioners with a presentation on how the District measures and evaluates the effectiveness of its hatchery programs. Staff will request action from the Board at a later date to define hatchery monitoring and evaluation partners and their roles.

Governmental Affairs Director Andrew Munro briefed Commissioners on recent legislative activities. Both he and Commissioner Congdon attended the American Public Power Association Legislative Rally in Washington, D.C. last week. Commissioner Congdon reported that she met with members of the state's congressional delegation and expressed her pleasure with the reception she and Mr. Munro received. A \$1.6 million grant application for the Monitor water

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system was one of the items discussed with U.S. Senators Patty Murray and Maria Cantwell and Congressman Doc Hastings. The session concludes March 9, 2006. Mr. Munro will provide Commissioners with an end of session legislative report during the board meeting on March 20, 2006.

Under such other matters, Rocky Reach Operator Tim Breen submitted a letter to Commissioners regarding the minimum manning requirement at Rocky Reach and Rock Island.

Assistant General Manager Jack Winter shared with Commissioners a letter which staff received from the City of Cashmere requesting that the District move into the next phase of evaluation on future ownership of the city's electric system. At the city's request, the District took part in an initial evaluation of the Cashmere electric system, which serves about 1,400 customers inside the city limits. Results of the study of the system by HDR Engineering were discussed at a public meeting held January 11, 2006 in Cashmere. Commissioners requested that Intergovernmental Relations Director Jeff Smith respond to the city's letter, indicating the District's willingness to have staff continue discussions, but making clear that the District did not initiate this discussion or process.

Human Resources Director Randy Stedman provided Commissioners with an update on the General Manager search. Search Consultant Jerry Oldani has received 107 applications to date, including three internal applications. Commissioners will review an initial list of applicants during an executive session scheduled for the March 13, 2006 board meeting.

Commissioner Gutwiler made a motion to change the start time of the board meeting on March 13, 2006 to 10:00 a.m. This will allow for regular business to occur at 10:00 a.m. and for an executive session to convene at 1:00 p.m. for the review of applicants for the General Manager search. The motion was seconded by Commissioner Janssen and passed unanimously.

Commissioner Congdon made a motion to adjourn and continue the meeting to noon on March 7, 2006 at the Wenatchee Convention Center to attend the Chelan PUD Retiree Meeting. The motion was seconded by Commissioner Gutwiler and passed unanimously. There being no further business, the meeting was adjourned at 2:18 p.m.

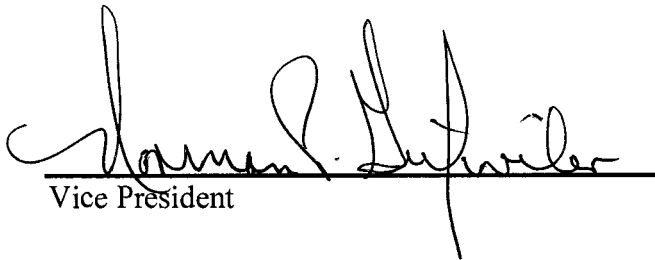
The meeting was continued on Tuesday, March 7, 2006, at noon at the Wenatchee Convention Center for the purpose of attending the Chelan PUD Retiree Meeting. Commissioners present were Gary L. Montague, Ann Congdon and Werner Janssen. Various staff members and retirees were in attendance. Commissioners participated in discussions with retirees and staff on a variety

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of District topics ranging from the General Manager search, to Rocky Reach and Lake Chelan Relicensing. The board meeting was adjourned at the conclusion of that meeting at 1:30 p.m.



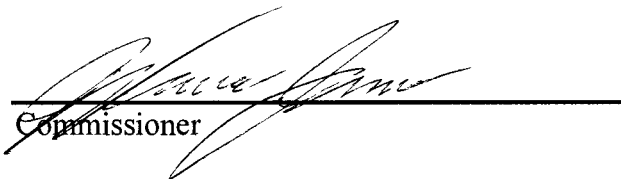
President



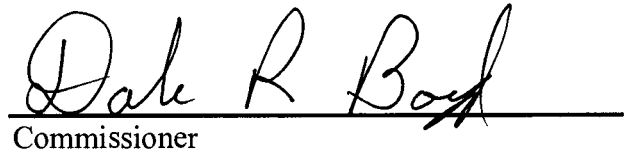
Vice President



Secretary



Commissioner



Commissioner