

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

March 13, 2006

The regular meeting 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 13, 2006, at the hour of 10:00 a.m., pursuant to proper notice thereof.

Commissioners present were Gary L. Montague, Norm Gutzwiler, Ann Congdon, Werner Janssen and Dale R. Boyd. In attendance were Interim General Manager Wayne Wright, General Counsel Carol Wardell and Acting Clerk of the Board Lisa Everhart. Various staff members in attendance.

Others in attendance: Bill Stokes and Christine Pratt (Wenatchee World).

President Montague presented the Consent Agenda items for adoption. He asked if any item on the Consent Agenda should be transferred to the Regular Agenda for further review. No items were requested, and President Montague presented the Consent Agenda items for adoption as follows:

The minutes of the regular meeting held on February 27, 2006 and the regular meeting (study session) held on March 6, 2006 were presented for approval.

The Auditor's memorandum, dated March 7, 2006, supporting documentation and the District's Computer Report, which certify, pursuant to RCW 42.24.080, that the District received certain goods, services and other considerations specified therein and described as follows were presented for approval:

1. Claims certified by the Auditor for payment and authorization for the Auditor to issue warrants payable by the Treasurer for services, goods and other considerations received by the District in the total amount of \$5,854,600.65;
2. Payroll for the period ending February 19, 2006 in the amount of \$1,285,976.53 as certified by the Auditor's memorandum; and
3. Customer Deposit Returns payment dated March 7, 2006 in the amount of \$1,814.38.

Motion was made by Commissioner Janssen, seconded by Commissioner Congdon and unanimously carried adopting the Consent Agenda consisting of the minutes of the February 27, 2006 and March 6, 2006 Commission meetings; and the above-listed vouchers.

The Commission next considered the matters listed in the Regular Agenda.

RESOLUTION NO. 06-12860 ACCEPTING THE BID OF HENKELS & McCOY INC.
OF PORTLAND, OR TO PROVIDE UNDERGROUND CONDUIT INSTALLATION
FOR A THREE YEAR PERIOD

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RESOLUTION NO. 06-12861 APPROVING FIELD WORK ORDER #3 TO CONTRACT 03-08 WITH POWERCOM, INC. OF BOTHELL, WASHINGTON TO PROVIDE CONTRACT DOCK CREWS FOR TELECOMMUNICATION INFRASTRUCTURE INSTALLATION

Motion was made by Commissioner Gutzwiler and seconded by Commissioner Janssen to adopt Resolution No. 06-12861. The question was called for and the motion carried unanimously to adopt Resolution No. 06-12861, which is on file in the office of the District.

RESOLUTION NO. 06-12862 ACCEPTING THE BID OF ALTEC INDUSTRIES, INC. OF DIXON CALIFORNIA TO PROVIDE ONE (1) INSULATED AERIAL MANLIFT

RESOLUTION NO. 06-12863 ACCEPTING THE BID OF STAR RENTALS OF WENATCHEE WASHINGTON TO PROVIDE ONE (1) ARTICULATING BOOM LIFT

RESOLUTION NO. 06-12864 AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE REAL TIME SCHEDULING AND MARKETING SERVICES AGREEMENT WITH AVISTA ENERGY, INCORPORATED, OF SPOKANE, WASHINGTON

RESOLUTION NO. 06-12865 APPROVING THE PURCHASE OF WIRELESS MOBILE COMMUNICATION EQUIPMENT (I.E. CELL PHONES AND BLACKBERRY DEVICES OR SIMILAR EQUIPMENT), SOFTWARE AND SERVICES UNDER THE INTERLOCAL COOPERATIVE PURCHASING AGREEMENT WITH THE DEPARTMENT OF INFORMATION SERVICES, A WASHINGTON STATE AGENCY

RESOLUTION NO. 06-12866 DECLARING THAT NO BIDS WERE RECEIVED FOR THE PURCHASE THREE HIGH VOLTAGE GAS CIRCUIT BREAKERS (BID NO. 06-08) AND AUTHORIZING THE GENERAL MANAGER TO OBTAIN THAT WORK BY NEGOTIATION

Commissioner Gutzwiler requested that resolution No. 06-12866 be revised to include the option to purchase up to 21 115 KV and 13 230 KV additional breakers in the future. Resolution No. 06-12866 was revised to include the option to purchase up to 21 115 KV and 13 230 KV additional breakers in the future.

Motion was made by Commissioner Gutzwiler and seconded by Commissioner Janssen to adopt Resolution No. 06-12866 as amended. The question was called for and the motion carried unanimously to adopt Resolution No. 06-12866, which is on file in the office of the District.

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RESOLUTION NO. 06-12867 CREATING A PLAN AND SYSTEM OF FINANCING THE COSTS OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO AND REPAIRS, REPLACEMENTS AND RENEWALS OF THE DISTRICT'S ROCKY REACH HYDRO-ELECTRIC SYSTEM; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$1,500,000 AGGREGATE PRINCIPAL AMOUNT OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON ROCKY REACH HYDRO-ELECTRIC SYSTEM REVENUE BONDS, SERIES 2006 FOR THE PURPOSE OF PAYING THE COST AND EXPENSE OF CARRYING OUT THAT PLAN AND SYSTEM; PROVIDING THE TERMS OF THE 2006 BONDS; APPROVING THE SALE AND PURCHASE OF THE 2006 BONDS; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO

Motion was made by Commissioner Gutzwiler and seconded by Commissioner Congdon to adopt Resolution Nos. 06-12860, 06-12862 through 06-12865, and 06-12867. The question was called for and the motion carried unanimously to adopt Resolution Nos. 06-12860, 06-12862 through 06-12865, and 06-12867, which are on file in the office of the District.

Commissioner Congdon made a motion to instruct Commissioner Gutzwiler be directed to vote "no" on the platinum status on the WPUA building. Commissioner Gutzwiler seconded the motion. After further discussion, Commissioners Congdon, Gutzwiler, and Montague voted for and Commissioners Boyd and Janssen voted against the motion to vote "no" on the platinum status on the WPUA building. Bill Stokes spoke in opposition of the platinum status.

Interim General Manager Wayne Wright informed Commissioners that the Pedoi St. building in Manson Bay was determined to not be structurally sound and was torn down on March 6, 2006.

Mr. Wright informed Commissioners about a recent trip he took with Chief Financial Officer Joe Jarvis and Director of Power Management Randy Lowe to visit the Yahoo! headquarters in Sunnyvale California. They saw two active server farms and one under construction. They felt Yahoo! had a professional approach and many of their questions were answered. Mr. Wright felt the trip was productive and very beneficial.

General Counsel Carol Wardell advised the Commissioners that PacifiCorp filed a motion to intervene with the Federal Energy Regulatory Commission (FERC) in the action of the Puget Sound Energy contract. They are not protesting or rejecting the contract.

Director of Governmental Affairs Andrew Munro advised Commissioners that the legislative session ended one day early. President Bush intends to nominate Phil Moeller and Jon Wellinghoff to FERC. Phil Moeller is formerly Senator Slade Gordon's energy assistant and Jon Wellinghoff was a former counsel for Nevada utilities.

President Montague publicly announced that the Commission would convene an executive session commencing at 1:00 p.m. for the purpose of discussing the qualifications of an applicant

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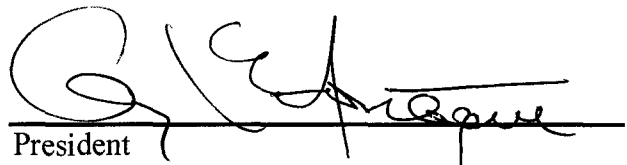
for public employment, as authorized by RCW 42.30.110(1)(g). He stated that he anticipated the executive session would conclude at approximately 5:00 p.m.

By motion made by Commissioner Boyd, seconded by Commissioner Janssen and carried unanimously, an executive session was scheduled to convene at 1:00 p.m. The notice of such executive session, including the purpose of the session and the estimated time the session would conclude was properly posted by the Acting Clerk of the Board.

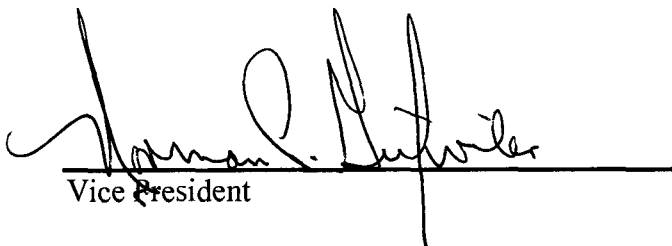
Commissioners recessed at 12:05 p.m. for lunch and reconvened into executive session at 1:00 p.m. for the purpose of discussing the qualifications of an applicant for public employment, as authorized by RCW 42.30.110(1)(g).

Reconvening into regular session at 4:55 p.m., the Commissioners reported that they discussed the qualifications of an applicant for public employment, as authorized by RCW 42.30.110(1)(g). No action was taken.

Due to the microphones being inadvertently left off after the executive session, no recording occurred after the executive session. There being no further business, the meeting was adjourned at 4:55 p.m.

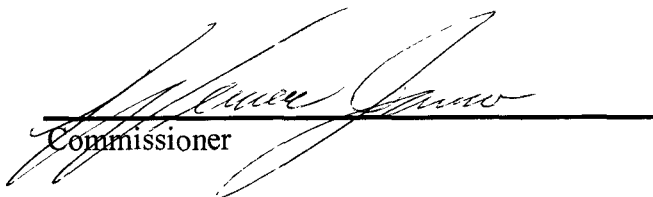


President



Vice President

Secretary



Commissioner



Commissioner