

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

April 10, 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 April 10, 2006, at the hour of 10:32 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 Interim Clerk of the Board Melisa McPherren. Various staff members in attendance.

Others in attendance: Evelyn Gilbert, Bill Stokes, Tim Eckert, Scott Sackett, Jerry Handfield, Joe Rumble and Christine Pratt (Wenatchee World).

President Montague announced that the Commission convened an executive session from 7:30 a.m. to 10:15 a.m. to evaluate the qualifications of an applicant for public employment, as authorized by RCW 42.30.110(1)(g). No action was taken.

Interim General Manager Wayne Wright presented Organizational Development Manager Arlene Abbott with a certificate to honor her upcoming retirement from the District on April 14, 2006. Mr. Wright and the Commissioners thanked Ms. Abbott for her service to the District. Ms. Abbott worked in human resources with public agencies for many years, with the last four at the District.

Dawn Allen of Pearson Performance Solutions, Chicago, summarized results of the 2006 survey for Commissioners. Employees responded to the Web-based questionnaire between February 20, 2006 and March 13, 2006. Participation in the annual employee survey increased this year, with 406 out of about 720 employees responding, compared with 391 employees who took part in 2005, the first year of the survey. Job satisfaction, gender fairness, and pay and benefits received the highest rankings from employees. The favorable scores increased from last year for job satisfaction (77 percent), and pay and benefits (71 percent). Commissioners were told management effectiveness (37 percent), visionary leadership (39 percent) and reaction to the survey (41 percent) received the least favorable responses but responses in all three of those categories improved from 2005.

During Commissioner items, Commissioner Boyd commented that he and Commissioner Congdon attended the National Hydropower Association (NHA) Conference in Washington DC last week and received two awards from NHA on behalf of the District. The District was recognized as one of seven outstanding stewards of America's rivers and for collaborating on a notable public education program for fourth-graders.

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:

MINUTES OF REGULAR MEETING OF THE COMMISSION

April 10, 2006

Page 2

The minutes of the regular meeting held on March 27, 2006 and the regular meeting (study session) held on April 3, 2006 were presented for approval.

The Auditor's memorandum, dated April 6, 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 \$5,065,218.60;
2. Payroll for the period ending March 19, 2006 in the amount of \$1,254,149.23 as certified by the Auditor's memorandum; and
3. Customer Deposit Returns dated April 4, 2006 in the amount of \$3,193.80.

RESOLUTION NO. 06-12883 APPROVING BIDDING DOCUMENTS FOR ROCKY REACH HEAD GATE REFURBISHMENT (BID 06-03) AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

RESOLUTION NO. 06-12884 AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 05-14 WITH ALTEC INDUSTRIES OF DIXON CALIFORNIA AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE THREE (3) AERIAL MANLIFTS WITH TRUCK BODIES

Motion was made by Commissioner Boyd, seconded by Commissioner Janssen and unanimously carried adopting the Consent Agenda consisting of the minutes of the March 27, 2006 and April 6, 2006 Commission meetings, the above-listed vouchers and Resolution Nos. 06-12883 through 06-12884.

Commissioners recessed for lunch at 11:33 a.m. and reconvened at 1:00 p.m. to continue conducting the business of the District.

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

Commissioners welcomed State Archivist Jerry Handfield and Regional Archivist Tim Eckert who presented District employees Elmer Larsen and David Shaw with certificates of

MINUTES OF REGULAR MEETING OF THE COMMISSION

April 10, 2006

Page 3

appreciation for help they provided to the state in developing digital archives. Mr. Larsen is Information Technology's Applications Development Supervisor and Mr. Shaw is Filenet Records Administrator.

Staff presented the following resolutions for Board consideration:

RESOLUTION NO. 06-12885 ACCEPTING THE BID OF MOE ASPHALT AND SEAL COATING INC. OF WENATCHEE, WASHINGTON TO PROVIDE ASPHALT PAVEMENT REPAIRS AND MISCELLANEOUS CONCRETE REPAIRS FOR A TWO YEAR PERIOD

RESOLUTION NO. 06-12886 AUTHORIZING AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT (PSA NO. 05-058) WITH PACIFIC ENGINEERING AND DESIGN, INC. OF WENATCHEE, WASHINGTON, TO PROVIDE CIVIL AND STRUCTURAL ENGINEERING AND TECHNICAL SERVICES FOR THE DISTRICT'S HYDROELECTRIC PROJECTS

RESOLUTION NO. 06-12887 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO PROFESSIONAL SERVICES AGREEMENT NO. 06-033 WITH BIOANALYSTS, INC. OF BOISE, IDAHO TO PERFORM HATCHERY MONITORING AND EVALUATION ACTIVITIES REQUIRED IN THE LICENSES FOR ROCKY REACH, ROCK ISLAND AND LAKE CHELAN HYDROELECTRIC PROJECTS

Motion was made by Commissioner Boyd and seconded by Commissioner Janssen to adopt Resolution Nos. 06-12885 through 06-12887. The question was called for and the motion carried unanimously to adopt Resolution Nos. 06-12885 through 06-12887, which are on file in the office of the District.

Chief Financial Officer Joe Jarvis and Lead Accounting Analyst Amy Burleson provided Commissioners with a report on the nearly \$9.7 million in taxes paid by the District in 2005. The largest share, \$5.3 million, went to the state, another \$1.4 million to the city of Wenatchee and \$1 million to Chelan County. Mr. Jarvis said the taxes, while a significant expense, are an important way the District supports the community.

Commissioner Boyd discussed a recent request made to Stone and Webster to obtain the consultants Rocky Reach and Rock Island Dam construction plans for the District's archives. General Counsel Carol Wardell assured Commissioners that staff will follow-up on this request and will review and compare Stone and Webster's documentation to the District's documentation to ensure that the District's archives are complete.

MINUTES OF REGULAR MEETING OF THE COMMISSION

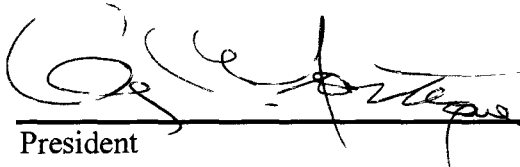
April 10, 2006

Page 4

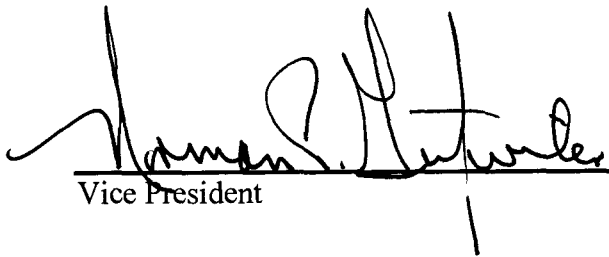
President Montague publicly announced that the Commission would recess and continue the meeting at 4:00 p.m. at 1225 North Wenatchee Avenue for an executive session to evaluate the qualifications of an applicant for public employment, as authorized by RCW 42.30.110(1)(g). He stated he anticipated the executive session would conclude at approximately 5:30 p.m. At the conclusion of the executive session, the meeting will be adjourned and continued to Tuesday, April 11, 2006 at 8:30 a.m. at 1225 North Wenatchee Avenue for an executive session to evaluate the qualifications of an applicant for public employment, as authorized by RCW 42.30.110(1)(g). He stated he anticipated the executive session would conclude at approximately 5:00 p.m. At the conclusion of the executive session, the meeting will be adjourned and continued to Wednesday, April 12, 2006 at 10:00 a.m. in the offices of the District for an executive session to evaluate the qualifications of an applicant for public employment, as authorized by RCW 42.30.110(1)(g). The executive session would conclude at approximately noon and then the meeting will be adjourned.

By motion made by Commissioner Congdon, seconded by Commissioner Gutzwiler and carried unanimously, the Commissioners authorized the executive sessions to be convened as noted after the recess. 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 Interim Clerk of the Board.

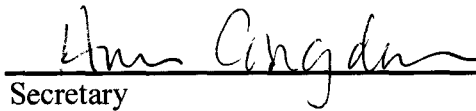
There being no further business, the meeting was recessed at 2:08 p.m. and the executive sessions were convened as noted.



President




Vice President



Secretary



Commissioner



Commissioner