

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

MAY 30, 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 May 30, 2006, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were, Gary L. Montague, Ann Congdon, Norm Gutzwiler, 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 also in attendance.

Others in attendance: Bill Stokes and Randy Smith

The following resolution was presented by staff:

A RESOLUTION AUTHORIZING FIELD WORK ORDER NO. 2 TO BID NO. 04-20 TO EXTEND THE CONTRACT WITH GCA SERVICES GROUP, INC. (FORMERLY ALLIED BUILDING SERVICES) OF BELLEVUE, WASHINGTON, FOR JANITORIAL SERVICES

District's Balanced Scorecard: Manage our Assets and Natural Resources

Impact: Estimated amount of work \$91,571.88 over one year

A RESOLUTION APPROVING FIELD WORK ORDER NOS. 7 THROUGH 11, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 05-15 WITH PIPKIN CONSTRUCTION, INC. OF EAST WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE ROCKY REACH DAM LARGE ONSITE SEPTIC SYSTEM

District's Balanced Scorecard: Manage our Assets and Natural Resources

Impact: Authorizing Field Work Order Nos. 7-11, for a total reduction in contract price of \$2,348.76, and release retainage of \$29,562.55.

Motion was made by Commissioner Gutzwiler and seconded by Commissioner Congdon to adopt Resolution Nos. 06-12905 – 06-12906. The question was called for and the motion carried unanimously to adopt the resolutions, which are on file in the office of the District.

Kirk Hudson and Andrew Wendell reviewed a proposed Electric Service Facilities Conversion Policy. The policy outlines the process for customers requesting and paying for relocations, modifications and undergrounding of electric distribution facilities. PUD Commissioners will be

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asked to approve the policy next week. The proposal follows discussions with customers last year about how to handle the cost of the increasing number of requests to protect views by putting power lines underground.

Susan Gillin and Keri Wendell informed Commissioners that customers will soon have the option of paying their bill online. Customers asking to pay their bill online have been increasing over the past two years, said Susan Gillin, customer services administrator. The service provides another payment option to customers and uses technology to improve bill processing, said Kerri Wendell, customer information system administrator. The service is expected to debut with the PUD's renovated Web site later this summer.

General Counsel Carol Wardell discussed with Commissioners Judge James Redden's latest decision that the Upper Snake River biological opinion and the Columbia River biological opinion should not be combined but wants them to be on the same schedule. There is no direct impact on Chelan County PUD.

Commissioner Gutzwiler requested time at a future study session to discuss river flows in response to questions from customers.

President Montague publicly announced that the Commission would convene an executive session commencing at 2:45 p.m. for the purpose of discussing with legal counsel litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) and to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b). He stated that he anticipated the executive session would conclude at approximately 3:25 p.m.

By motion made by Commissioner Boyd, seconded by Commissioner Janssen and carried unanimously an executive session was convened. 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.

Reconvening into regular session at 3:42 p.m., the Commissioners reported that they discussed with legal counsel litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) and to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b). No action was taken.

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Commissioner Boyd made a motion to adjourn and continue the meeting to 9:00 a.m. on May 31, 2006, in the office of the District for the Balanced Scorecard review meeting. The motion was seconded by Commissioner Gutzwiler and passed unanimously. There being no further business, the meeting was adjourned at 3:43 p.m.

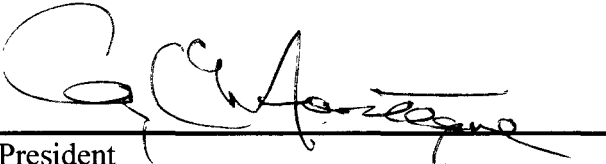
The meeting was continued on Wednesday, May 31, 2006, at 9:00 a.m. in the office of the District for the Balanced Scorecard review meeting. Commissioners present were Gary L. Montague, Norm Gutzwiler, Ann Congdon, Werner Janssen and Dale R. Boyd. In attendance were General Manager Rich Riazzi, General Counsel Carol Wardell, Acting Clerk of the Board Lisa Everhart, Director of Strategic Planning Dan Sollom and Business Analyst Scott Taylor. Various staff members were present, and no members of the public were in attendance.

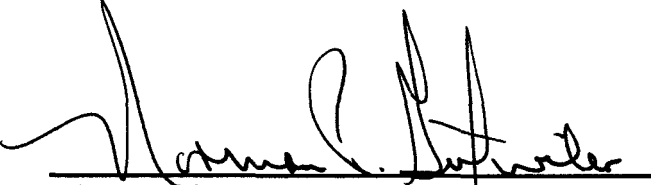
Commissioners met to review and discuss their Balanced Scorecard results from April. Commissioners requested a full day retreat with staff to review their Balanced Scorecard and the next meeting would be scheduled for the end of July.

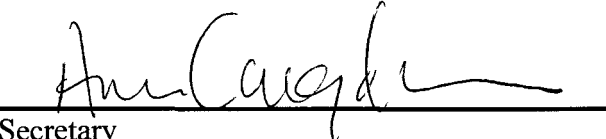
The meeting was recessed at 10:08 a.m. for a break and reconvened at 10:14 a.m. to continue conducting the business of the District.

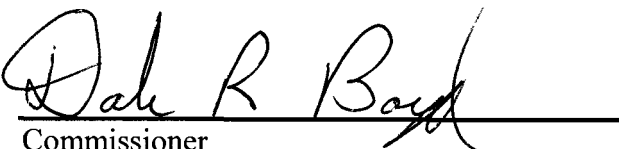
Commissioners discussed the "Make This a Great Place to Work" strategic objective.

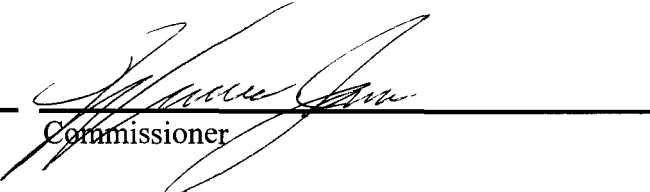
There being no further business, the meeting was adjourned at 11:24 a.m.

  
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President

  
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Vice President

  
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Secretary

  
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Commissioner

  
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Commissioner