

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

June 12, 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 June 12, 2006, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were Gary L. Montague, Norm Gutzwiler and Werner Janssen. In attendance were General Manager Richard Riazzi, General Counsel Carol Wardell and Interim Clerk of the Board Melisa McPherrren. Various staff members also in attendance.

Others in attendance: Bill Stokes, Jim Baxter, Evelyn Gilbert, Dick Braun and Christine Pratt (Wenatchee World).

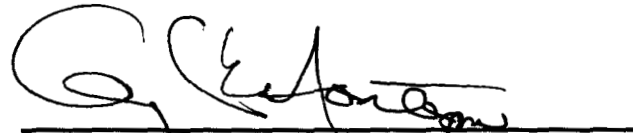
Director of Human Resources Randy Stedman and Benefits Manager Beverly Freeman updated Commissioners on new changes to PERS contribution rates effective July 1, 2006. Employee contribution rates for PERS Plan 2 will increase from 2.25 percent to 3.50 percent. PERS Plan 1 will remain at 6 percent and PERS Plan 3 contributions remain at the elected amounts. For all PERS plans, employer contribution rates will increase from 2.44 percent to 3.69 percent. Also discussed were the 2006-2007 employee benefit renewals, which renew August 1 of each year. There are no significant medical insurance plan design changes and the WDS dental plan will be changing the annual deductible amount effective January 1, 2007. The District's overall cost will increase 17.7 percent.

Director of Environmental Affairs Tracy Yount, Director of Fish and Wildlife Shaun Seaman, HCP Environmental Project Coordinator Julie Pyper and Fisheries Biologist Andrew Grassell provided Commissioners with an update on two aspects of the District's fish protection programs; survival studies for the Habitat Conservation Plans and the hatchery monitoring and evaluation program. Mr. Yount stated that the goal of the programs is to protect fish and maintain flexibility in hydropower generation. The results from the 2006 survival studies will be available in October. The briefing was in preparation for asking Commissioners to consider two resolutions next week for monitoring and evaluation work to be done by the Yakama Nation and the state Department of Fish and Wildlife.


General Manager Richard Riazzi informed Commissioners that the Mid C Managers/Commissioners Dinner is confirmed for June 19, 2006. The location of the meeting has yet to be determined.

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There being no further business, the meeting was adjourned at 2:28 p.m.




President



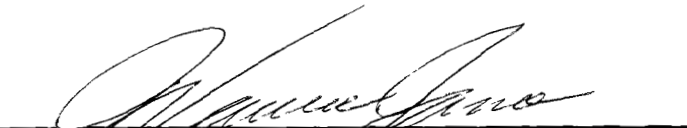
Vice President



Secretary



Commissioner



Commissioner