

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

July 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 July 10, 2006, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were Norm Gutzwiler, Ann Congdon, Werner Janssen (via telephone) and Dale R. Boyd. In attendance were General Manager Richard Riazzi, General Counsel Carol Wardell and Clerk of the Board Melisa McPherran. Various staff members in attendance.

Others in attendance: Leo Garcia, René Zamora, Ruben Ruelas, Louisa Mora, Hugo Penagos, Tomas Sandoval, Bill Stokes, Jim Baxter, Dick Braun and Christine Pratt (Wenatchee World).

Acting President Gutzwiler 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 Acting President Gutzwiler presented the Consent Agenda items for adoption as follows:

The minutes of the regular meeting held on June 26, 2006 were presented for approval.

The Auditor's memorandum, dated June 27, 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 \$5,969,184.98;
2. Payroll for the period ending June 11, 2006 in the amount of \$1,316,491.00 as certified by the Auditor's memorandum;
3. Customer Deposit Returns payment dated June 27, 2006 in the amount of \$2,329.91; and
4. Charge Offs to uncollectible accounts in the amount of \$12,916.10 - June 2006.

Motion was made by Commissioner Boyd, seconded by Commissioner Congdon and unanimously carried adopting the Consent Agenda consisting of the minutes of the June 26, 2006 Commission meetings and the above-listed vouchers.

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

Four members of the District's Hispanic Customer Partnership Group offered recommendations for increasing access to District jobs for minority residents. The group started meeting with District staff a year ago, at the request of Commissioners, to find ways to encourage more applications for District jobs as the utility faces a coming wave of retirements. "It's all about opportunities," said Tomas Sandoval, a group member who recently retired from the state Employment Security Department. "We are looking to assist the PUD to recruit, identify and encourage Hispanics to meet the standards for employment at the PUD." Acting President Gutzwiler informed the group that discussions on the recommendations will continue with the full board. Commissioners thanked the group for its work and for volunteering for continued involvement. "It's exciting. I like the tone in asking for a partnership and a collaborative process," said Commissioner Congdon. People of Hispanic and Latino heritage are about 21 percent of Chelan County's population. About 2.5 percent of District employees are Hispanic. Joining Mr. Sandoval for the discussion were Louisa Mora, regional manager for the Opportunity Industrialization Center; Leo Garcia, Wenatchee Valley College associate professor of horticulture; and Hugo Penagos, training consultant for SkillSource of Chelan and Douglas counties.

General Manager Richard Riazzi updated the Board on the status of the City of Cashmere's request for engineering and operational support for its electrical system. Staff submitted a draft interlocal agreement to the City of Cashmere to assist them with securing third party working arrangements within ninety days. If the agreement is approved by the City, staff will present a resolution authorizing the District's assistance at the July 17, 2006 board meeting. Acting President Gutzwiler reminded the Board that the District would receive reimbursement from the City for the District's assistance.

Mr. Riazzi next discussed the upcoming strategic retreat with Commissioners. Staff proposed to the Board that the July retreat be moved to late August and the Board will discuss dates and how many sessions to hold during the July 17, 2006 meeting.

General Counsel Carol Wardell informed the Board that the District and 12 other utilities were successful in reducing annual fees charged by federal agencies for work related to federal dam licenses. The Federal Energy Regulatory Commission held that of \$112 million in fees submitted by the agencies from 1998-2001, only \$16 million was appropriately documented and justified. The District will receive a refund of about \$500,000 as a credit on annual fees charged in years after 2001. The PUD has not yet been billed for the annual charges since 2001 while this case was pending.


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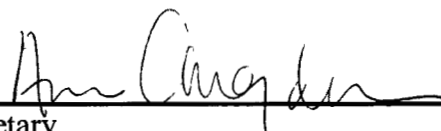
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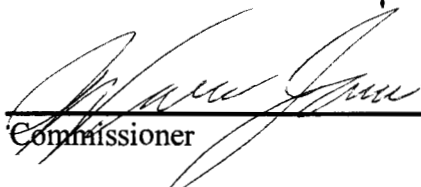
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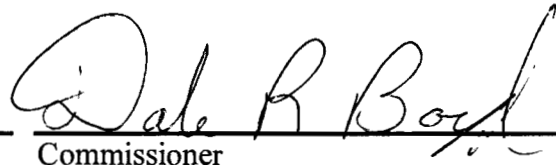
There being no further business, the meeting was adjourned at 1:41 p.m.

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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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