

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

July 24, 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 July 24, 2006, at the hour of 1:00 p.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 General Manager Richard Riazzi, General Counsel Carol Wardell and Clerk of the Board Melisa McPherren. Various staff members also in attendance.

Others in attendance: Bill Stokes, Jim Baxter, Mary Sherer, Dick Symonds, Randy Smith and Christine Pratt (Wenatchee World).

Dick Symonds with the Lake Chelan Historical Society briefed Commissioners on a Lake Chelan Historical Society project to restore the pilot house of the 1930s Lady of the Lake I and put it on permanent display in Chelan's Riverwalk Park. Mr. Symonds received consensus from the Board to continue discussions with District staff on a permit to place the pilot house in the park.

Policy Analyst Suzanne Grassell and Director of Customer Service John Stoll discussed the steps that the District must take under the Energy Policy Act of 2005 and the Public Utility Regulatory Policies Act (PURPA). Ms. Grassell explained that the District must notify the public and ask for comments before deciding if it is necessary to act on setting standards for: interconnection of third-party generation to the PUD grid; net metering; and time-based metering and communication. The process will kick off August 8, 2006 with legal notification in a local newspaper. A decision must be made by August 8, 2007.

Assistant General Manager Wayne Wright and Director of Parks/Facilities/Real Estate Services Steve Currit notified the Board of a request the District received from the Port of Chelan County for a letter supporting their application for Rivers, Trails and Conservation Assistance (RTCA) technical assistance for the Upper Columbia Water Trail Initiative. This proposed 482-mile water trail project on the Upper Columbia River and Okanogan River will significantly add to the existing 300+ miles of water trails on the Columbia River. Commissioners agreed that a letter of support could be sent on behalf of the Port of Chelan County requesting technical help from the National Park Service to develop the Upper Columbia River Water Trail for canoes and kayaks. The letter will include a request that portage at all dams be reviewed and that the hydro operators be consulted on safety and security issues.

Power Manager Steve Fisher provided Commissioners with the names of the ColumbiaGrid Board of Directors candidates: Lloyd Meyers, Shelly Richardson, Ed Sienciwicz and John Kaake. ColumbiaGrid members will select three of the candidates for Board of Directors seats on August 1, 2006, with terms of 2, 3 and 4 years.

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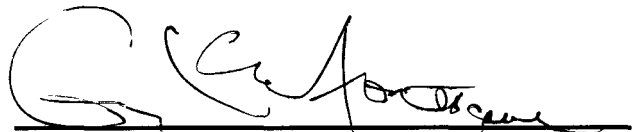
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President Montague publicly announced that the Commission would convene an executive session commencing at 2:15 p.m. for the purpose of discussing with legal counsel litigation, potential litigation to which the District or its board is, or is likely 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 3:00 p.m.

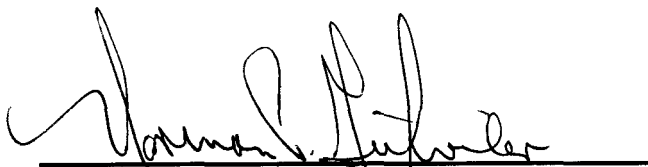
By motion made at 2:10 p.m. by Commissioner Janssen, seconded by Commissioner Gutzwiler and carried unanimously, an executive session was convened after a five-minute break. The notice of such executive session, including the purpose of the session and the estimated time the session would conclude was properly posted by the Clerk of the Board.

Reconvening into regular session at 3:32 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 considered 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.

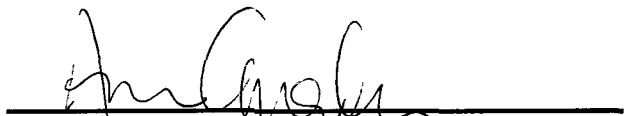
There being no further business, the meeting was adjourned at 3:33 p.m.



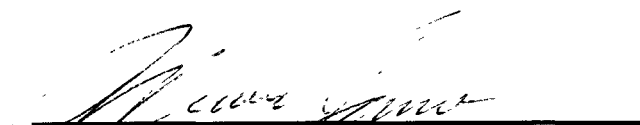
President



Vice President



Secretary



Commissioner



Commissioner