

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

December 17, 2007

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 December 17, 2007, at the hour of 10:00 a.m., pursuant to proper notice thereof.

Commissioners present were Norm Gutzwiler, Ann Congdon, Werner Janssen (via telephone), Randy Smith and Dennis S. Bolz. In attendance were General Manager Richard Riazzi, Staff Attorney Karen Wiggum and Clerk of the Board Melisa McPherrren. Various staff members were also in attendance.

Others in attendance: Thai Rojanathien, Tyler Skelton and Jim Baxter.

The Board held a strategy workshop during the morning session. Commissioner Bolz proposed a vision statement for the Board's strategy map and following discussion on the proposal, the vision statement by Commissioner Bolz with input from the Board read "The Commission will support the customer-owners through the vision and mission of the PUD with integrity." A motion was made by Commissioner Janssen and seconded by Commissioner Gutzwiler to accept this version of the vision statement for the Board's strategy map. The motion passed 4 to 1 with Commissioner Congdon opposing the motion. Commissioner Congdon felt that the concept of integrity is embedded in the Board's vision and mission and by including it in the statement, reflects back to a time where integrity was perceived not there. The Board then went on to finalize their strategy map and objective definitions. Commissioner Gutzwiler made a motion to accept the 2008 Balanced Scorecard as revised. The motion was seconded by Commissioner Smith and it passed unanimously.

Commissioners next discussed the Board's Governance Policies. The Board expressed interest in dedicating a separate meeting to go through the process of reviewing the policies as a group and will schedule this discussion for March 2008. Commissioner Smith made a motion to accept the Governance Policies as revised and to include the Balanced Scorecard. Commissioner Congdon seconded the motion and it was passed unanimously.

Chief Financial Officer Joe Jarvis and Director of Strategic Planning Kelly Boyd reviewed the tentative calendar of Balanced Scorecard actions, the "reporter" responsibilities and staff requirements, and discussed time and venue of District and Board quarterly meetings.

The meeting recessed at 11:27 a.m. for lunch and reconvened at 1:00 p.m. to continue conducting the business of the District.

Accounts Payable Coordinator Vicki Lamb led the Pledge of Allegiance and provided a safety minute.

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President Gutzwiler presented former PUD Commissioner Gary Montague of Wenatchee with a Life Heritage Member award from the Washington PUD Association (WPUDA). Former Commissioner Bob Boyd of Peshastin also received the award and accepted his at a WPUDA meeting earlier this month in Seattle.

Staff Attorney Karen Wiggum noted the following changes to the Consent Agenda:

Approval of payment to Washington State Department of Ecology in the amount of \$161,732.66 for Claim of Hydropower and Annual License Fee for 2008; and

Revision to Resolution No. 8 that adds Pipkin Construction, a local contractor, to the list of prequalified contractors.

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

The minutes of the regular meeting held on December 3, 2007 and the regular meeting (study session) held on December 10, 2007 were presented for approval.

The Auditor's memorandum, dated December 11, 2007, 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 \$7,857,466.56;
2. Payroll for the period ending November 30, 2007 in the amount of \$1,407,266.24 as certified by the Auditor's memorandum;
3. Customer Deposit Returns payment dated December 11, 2007 in the amount of \$1,364.28; and
4. Approval of payment to Washington State Department of Ecology in the amount of \$161,732.66 for Claim of Hydropower and Annual License Fee for 2008.

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RESOLUTION NO. 07-13212 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT (PSA NO. 07-212) WITH ANCHOR ENVIRONMENTAL, LLC, OF SEATTLE, WASHINGTON, TO PROVIDE ONGOING CHAIRPERSON FACILITATION THROUGH THE DEDICATED SERVICES OF STAFF MEMBER MIKE SCHIEWE AND SUPPORT STAFF FOR THE ROCKY REACH AND ROCK ISLAND HCP COORDINATING AND HATCHERY COMMITTEES

RESOLUTION NO. 07-13213 RESCINDING RESOLUTION NO. 06-12898 AND ADOPTING TELECOMMUNICATION RATES FOR UTILIZATION OF TELECOMMUNICATION SERVICES BY QUALIFIED SERVICE PROVIDERS ON CHELAN COUNTY PUBLIC UTILITY DISTRICT'S BROADBAND NETWORK

RESOLUTION NO. 07-13214 PREQUALIFYING PERSONS, FIRMS AND CORPORATIONS FOR THE YEAR 2008 AS BIDDERS FOR ELECTRICAL WORK FOR THE DISTRICT

RESOLUTION NO. 07-13215 AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 07-24 WITH GALVANIZERS, INC. OF WEST FARGO, NORTH DAKOTA AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE SUPPLY OF STRUCTURAL STEEL FOR ANDREW YORK/MONITOR 230KV SWITCHYARD ADDITION

RESOLUTION NO. 07-13216 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT (SA NO. 08-001) WITH DAVID ARBAUGH OF ARBAUGH & ASSOCIATES FOR LEGISLATIVE CONSULTANT SERVICES

RESOLUTION NO. 07-13217 ACCEPTING THE BIDS OF KEMP WEST, INC. OF SNOHOMISH, WA AS PRIMARY AWARDEE AND ASPLUNDH TREE EXPERT CO. OF WILLOW GROVE, PA AS SECONDARY AWARDEE TO PROVIDE DISTRICT TREE TRIMMING THROUGH DECEMBER 31, 2009 (BID 07-63)

RESOLUTION NO. 07-13218 AUTHORIZING THE EXTENSION OF THE ENABLING AGREEMENT WITH QUALITY RESOURCE SERVICES, INC. FOR THE FURNISHING OF SERVICES AND DELEGATING LIMITED AUTHORITY TO THE GENERAL MANAGER AND HIS DESIGNATED REPRESENTATIVES TO EXECUTE PROJECT CONFIRMATION AGREEMENTS PURSUANT TO THE ENABLING AGREEMENT

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RESOLUTION NO. 07-13219 APPROVING FIELD WORK ORDERS NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 07-09 WITH DIX CORPORATION OF SPOKANE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE CIVIL SITE IMPROVEMENTS FOR THE ROCK ISLAND POWERHOUSE 2 TRASH CLEANING SYSTEM

RESOLUTION NO. 07-13220 APPROVING FIELD WORK ORDER NO. 5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 05-11 WITH HYUNDAI HEAVY INDUSTRIES CO., LTD OF SEOUL, KOREA AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE GENERATOR STEP-UP TRANSFORMERS FOR THE ROCK ISLAND HYDROELECTRIC PROJECT

RESOLUTION NO. 07-13221 APPROVING CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 07-22 WITH AZTECH ELECTRIC, INC. OF SPOKANE, WA. AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE ANDREW YORK 230KV SWITCHYARD ADDITION

RESOLUTION NO. 07-13222 AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 01-36 WITH ALSTOM HYDRO US, INC. OF LITTLETON, COLORADO AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE FOR THE ROCKY REACH UNITS C1-C7 GENERATOR REHABILITATION PROJECT

Motion was made by Commissioner Smith, seconded by Commissioner Bolz and unanimously carried adopting the Consent Agenda consisting of the minutes of the December 3, 2007 and December 10, 2007 Commission meetings, the above-listed vouchers and Resolution Nos. 07-13212 through 07-13222.

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

RESOLUTION NO. 07-13223 APPROVING FIELD WORK ORDER NOS. 1 THROUGH 6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 06-58 WITH CUSICK CONSTRUCTION AND DEVELOPMENT, INC. OF WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE EASTBANK HATCHERY THIRD ADULT HOLDING POND

RESOLUTION NO. 07-13224 ACCEPTING THE BID OF VOITH-SIEMENS HYDRO POWER GENERATION, INC. OF YORK, PA TO PROVIDE FOUR FACTORY

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STACKED STATORS FOR ROCK ISLAND POWERHOUSE NO. 1, B1-B4 GENERATOR MODERNIZATION (BID 07-37)

RESOLUTION NO. 07-13225 AUTHORIZING AMENDMENT NO. 1 TO CONTRACT NO. 06-50 WITH SUN-NET OF SAN JOSE, FOR ADDITIONAL AND ON-GOING CUSTOMIZATION SERVICES FOR THE TRANSMISSION OUTAGE APPLICATION SYSTEM

RESOLUTION NO. 07-13226 DECLARING WHITNEY EQUIPMENT COMPANY, INC. OF BOTHELL, WASHINGTON AS THE SOLE SOURCE SUPPLIER OF SUBMERSIBLE PUMP PROPELLERS FOR THE ROCKY REACH JUVENILE FISH BYPASS PROJECT AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A PURCHASE CONTRACT FOR THE PROPELLERS

RESOLUTION NO. 07-13227 DECLARING HYDRO-ACOUSTIC TECHNOLOGY INCORPORATED OF SEATTLE WASHINGTON THE SINGLE SOURCE OF SUPPLY FOR THE PURCHASE OF ACOUSTIC TAGS AND RELATED MONITORING EQUIPMENT FOR USE IN THE SPRING BIOLOGICAL STUDIES AT ROCKY REACH AND ROCK ISLAND DAMS

RESOLUTION NO. 07-13228 DECLARING ALCATEL USA MARKETING, INC. AS THE CONTINUING SOLE SOURCE OF CERTAIN FIBER TO THE PREMISES EQUIPMENT; WAIVING THE COMPETITIVE NEGOTIATION PROCESS ESTABLISHED BY RCW 39.04.270; AND AUTHORIZING THE DISTRICT TO EXTEND THE DISTRICT'S EXISTING CONTRACT FOR THE PURCHASE OF SAID EQUIPMENT AND SUPPORT SERVICES

RESOLUTION NO. 07-13229 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT (SA NO. 07-203) WITH ERGONARE, INC., OF PHOENIX, ARIZONA, FOR MAXIMO UPGRADE AND IMPLEMENTATION SERVICES

RESOLUTION NO. 07-13230 AUTHORIZING THE DISTRICT TO JOIN THE CHICAGO CLIMATE EXCHANGE AS A PARTICIPATING MEMBER; AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO REGISTER AND SELL CCX EMISSION OFFSETS AND TO PAY FOR ALL COSTS OR FEES ASSOCIATED WITH CCX MEMBERSHIP AND TRANSACTIONS

RESOLUTION NO. 07-13231 AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO SELL RENEWABLE ENERGY CREDITS ASSOCIATED WITH THE

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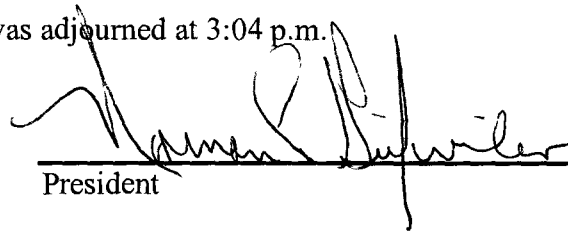
NINE CANYON WIND PROJECT AND EXECUTE ALL DOCUMENTS NECESSARY

Motion was made by Commissioner Congdon and seconded by Commissioner Bolz to adopt Resolution Nos. 07-13223 through 07-13231. The question was called for and the motion carried unanimously to adopt Resolution Nos. 07-13223 through 07-13231, which are on file in the office of the District.

The Commissioners reported on the various meetings each attended during the week(s) of December 3, 2007 and December 10, 2007.

Commissioners received an update on the winter closure of the foothills trail west of Wenatchee that crosses the lower section of 960 acres of PUD wildlife refuge. The trail is closed to protect mule deer. Wildlife Program Manager Von Pope said the District is working closely with the Chelan-Douglas Land Trust on the winter closure and to ensure future access. State wildlife agents are concerned about disturbing mule deer that use the area for winter habitat. Depending on weather, the trail will reopen in mid-March 2008.

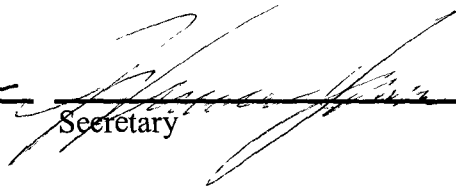
There being no further business, the meeting was adjourned at 3:04 p.m.



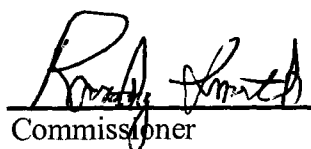
President




Vice President



Secretary



Commissioner



Commissioner