

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

November 5, 2007

The special meeting of the Commission of Public Utility District No. 1 of Chelan County, Washington, was held at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, Washington, on November 5, 2007, at the hour of 5:30 p.m., pursuant to proper notice thereof.

Commissioners present were Norm Gutzwiler, Ann Congdon, Werner Janssen, Randy Smith and Dennis S. Bolz. In attendance were General Manager Richard Riazzi, General Counsel Carol Wardell, Clerk of the Board Melisa McPherrren, Finance Division Director Debbie Litchfield, Senior Strategic Financial Planning Analyst Kurt Carlson, Chief Financial Officer Joe Jarvis, Strategic Financial Planning Division Director Kelly Boyd, Energy Planning and Trading Manager Janet Jaspers, Alcoa Vice President of Energy Acquisitions Bob Wilt and President of Wenatchee Works' multi-union trade council Jo Kaiser.

Others in attendance: Various staff members and members of the public were in attendance.

More than 100 community members and Alcoa employees attended the meeting to hear about and comment on the proposed term sheet that sets out a framework for long-term energy supply to the Alcoa Wenatchee Works that could keep three pot lines operating until 2028. Commissioners hosted the meeting to gather comments and provide a forum for community discussion of the proposed 17-year power contract that, if approved, would take effect in 2011 when the current contract expires. If approved as presented, the new contract would provide Alcoa with about 25 percent of the output of Rocky Reach and Rock Island dams in exchange for paying 25 percent of the power production costs, plus other fees including an up-front capacity reservation change of \$17.5 million to \$21 million. The District's negotiating team discussed the guiding principles, proposed term sheet, timeline and notebook with the public. Representatives from Alcoa offered the company's perspective on the proposed term sheet and operation of the Alcoa Wenatchee plant and the jobs provided by that operation.

During public comment, Wenatchee Mayor Dennis Johnson said the new contract would carry many benefits to the community, including ones that are not readily apparent such as improving the city's bond rating. Chelan County Assessor Russ Griffith pointed out the importance of Alcoa to the county's tax base. Alcoa employee and union officer Jo Kaiser said the workforce has been living with uncertainty about its future since 2004 and asked for approval of the proposed terms. Several other Alcoa employees and retirees echoed her support of the proposal. Hank Drewniany of Leavenworth chided company representative Bob Wilt for earlier comments that seemed to press Commissioners for a swift decision. Doug Stewart of Wenatchee asked if other options had been explored before committing additional power to Alcoa until 2028.

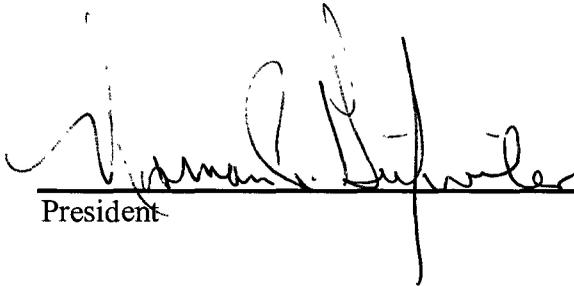
Commissioners will discuss the community comments and continue study of the proposal at 9 a.m. on November 19, 2007 in the District's Boardroom. No date for a decision has been set.

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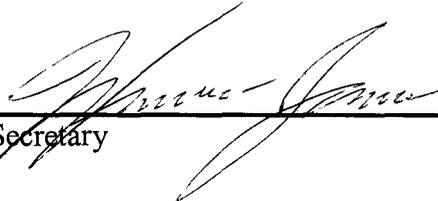
There being no further business, the meeting was adjourned at 8:28 p.m.



President



Vice President



Secretary



Commissioner

Commissioner