

**PUBLIC UTILITY DISTRICT NO. 1
OF
BENTON COUNTY**

SPECIAL COMMISSION MEETING

Date: September 25, 2008
Time: 5:00 p.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Present:

Commissioners Hall, Sanders and Bertsch
General Manager Sanders
Assistant General Manager Bartram
Legal Counsel Hultgrenn
Director of Power Management Gregg
Manager of Treasury and Risk Management Bickford
Commission Relations Specialist/Executive Assistant Hurst

President Jeff Hall called the Special Meeting of the Commission to order at 5:00 p.m. and announced the purpose of the meeting was to consider adopting an amendment of Resolution No. 2006, authorizing the purchase of energy from the White Creek Project, and the option to purchase transmission service, energy marketing services and certain other agreements related to the project.

Director of Power Management reviewed changes to Resolution No. 2006 which was adopted by the Commission on September 23, 2008. The amended resolution corrects several factual errors listed in the "whereas" portion of the resolution, including amending the Tier 2 annual options. The amended resolution amends in its entirety Resolution No. 2006 previously adopted effective today's date.


Director stated that the concept of Klickitat PUD prepaying the District for the sale back to Klickitat PUD to support the Powerex sale was discussed. Klickitat was open to the idea, but implementation would be very complex due to the variable nature of the wind output. Staff had concluded that since both PUDs would be requiring letters of credit (LOC) for the various transactions, that the LOCs could be waived and replaced with a letter laying out the rationale for the waiver. Klickitat also agreed to drop a \$300/month administrative charge in the agreement. Director recommended that in light of these favorable provisions and the complexity of a prepayment that the request be dropped. The Commission concurred.

Director of Power Management noted that closing on the project should occur no later than September 30, 2008.

Motion by Lori Sanders, seconded by Robert Bertsch to adopt Amended Resolution No. 2006 authorizing the purchase of energy from the White Creek Project, and option to purchase transmission service, energy marketing services and certain other agreements related to the project.

MOTION CARRIED.

Hearing no objection, President Jeff Hall adjourned the Special Commission Meeting at 5:15 p.m.


Jeffrey D. Hall, President

ATTEST:


Robert E. Bertsch, Secretary