

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

June 21, 2010

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 June 21, 2010, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were Dennis Bolz, Carnan Bergren, Norm Gutzwiler and Ann Congdon. Commissioner Randy Smith attended via telephone. In attendance were General Manager Rich Riazzi, General Counsel Carol Wardell and Clerk of the Board Sheila Salmon. Various staff members were also in attendance.

Others in attendance: Bob Huber and Christine Pratt (Wenatchee World).

Recreation Resource Plan Advisor Kris Pomianek led the Pledge of Allegiance and provided a safety minute.

Chief Financial Officer/Chief Risk Officer John Janney presented the following resolution for Board consideration.

RESOLUTION NO. 10-13555 RESTATING AND REVISING LONG RANGE FINANCIAL POLICIES FOR THE DISTRICT WHICH AMENDS AND SUPERSEDES PRIOR RESOLUTIONS PERTAINING TO SUCH MATTERS, INCLUDING RESOLUTION NO. 08-13377

A motion was made by Commissioner Gutzwiler, seconded by Commissioner Bergren and pass with all 5 Commissioners voting to adopt Resolution No. 10-13555, which is on file in the offices of the District.

Power Resource Engineer/Analyst Becky King gave a presentation on the 2010 Integrated Resource Plan (IRP) Progress Report. She told Commissioners that staff is currently preparing a Progress Report on the 2008 IRP as required by RCW 19.280. In the report, staff will update variable inputs, rerun the same portfolios from 2008, update main topics and short-term plan and discuss emerging topics. The report will be presented for consideration during a public meeting in August 2010 and final adoption of the report is scheduled for later that same month.

General Counsel Carol Wardell mentioned that three or more Commissioners will be attending an event for District retirees on June 22, 2010 in the Chelan County PUD Auditorium, 327 N. Wenatchee Ave., Wenatchee, Washington at 5:00 p.m. RCW 42.30.070 allows board members to gather for social events for purposes other than a meeting. The event will not be declared a special meeting.

MINUTES OF REGULAR MEETING OF THE COMMISSION

June 21, 2010

Page 2

Next, President Bolz opened discussion of the District's membership in the Washington Public Utility Association (WPUDA) for 2011. He stated that recently Clarke County PUD announced that they would not be renewing their membership for 2011. Commissioner Gutzwiler stated that for many years WPUDA was the voice of public power but the last few years the association has not been effective. Commissioner Smith concurred. Commissioner Bergren added that there seems to be a lack of direction. Commissioner Congdon stated that a reform committee is working to rebuild the association and said she is opposed to withdrawal from WPUDA. Commissioner Bolz commented that membership dues may increase as a result of Clarke's withdrawal and questioned the current value received from being a member.

In response to questions by the Commissioners, General Counsel Carol Wardell referenced the WPUDA bylaws which states in part that each operating district or joint operating agency which is a member of the Association as of June 30 shall be liable for and shall pay upon notice dues for the following fiscal year. As to voting rights, it was noted that the bylaws stated that each member should have one and only one vote.

A motion was made by Commissioner Gutzwiler, seconded by Commissioner Bergren to allow Commissioner Smith to vote via telephone on further items on the agenda. Commissioner Smith did not vote on this matter. The motion passed 3 to 1. Commissioner Congdon voted against the motion.

A motion was made by Commissioner Gutzwiler to discontinue the District's membership in Washington Public Utility Association (WPUDA) effective June 29, 2010; that the District continue participation as a non-member for the remainder of 2010 in light of dues paid; that the District continue participation in the restructuring efforts and committee activities as requested to do so by WPUDA; and that the District re-evaluate its membership position in WPUDA as part of our 2011 budget process. The motion was seconded by Commissioner Smith and passed with a vote of 3 to 1. Commissioner Congdon voted against the motion.

A motion was made by Commissioner Congdon, to convene a Tri-Commission meeting to be held at the office of the District, 327 North Wenatchee Avenue, Wenatchee, Washington, on June 29, 2010, at the hour of 1:00 p.m. and to last no longer than 3:00 p.m. The motion was seconded by Commissioner Gutzwiler and passed.

MINUTES OF REGULAR MEETING OF THE COMMISSION

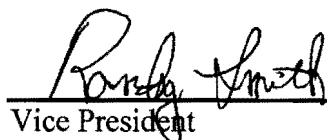
June 21, 2010

Page 3

There being no further business, the meeting was adjourned at 2:44 p.m.



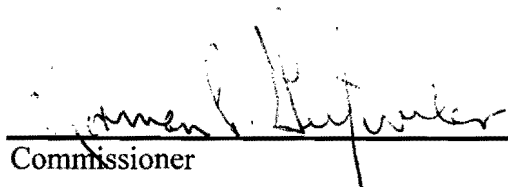
President



Vice President



Secretary



Commissioner



Commissioner