

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

August 9, 2010

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 August 9, 2010, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were Dennis Bolz, Randy Smith, Norm Gutzwiler and Ann Congdon. Commissioner Carnan Bergren was excused. In attendance were General Manager John Janney, General Counsel Carol Wardell and Clerk of the Board Sheila Salmon. Various staff members were also in attendance.

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

Engineering Student Gustavo Gomez led the Pledge of Allegiance and provided a safety minute.

President Bolz presented the 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 to be transferred to the regular Agenda. President Bolz presented the Consent Agenda items for adoption as follows:

The minutes of the regular meeting held on July 26, 2010, regular meeting (study session) held on August 2, 2010, and special meeting held on August 3, 2010 were presented for approval.

The Auditor's memorandum, dated August 3, 2010, 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 \$3,917,745.38;
2. Approval of Customer Deposit Returns payment dated August 3, 2010 in the amount of \$7,934.26; and
3. Approval of the net Payrolls, Warrant Nos. 224920 through 225004 and Advice Nos. 513050 through 513718 for the period ending 7/18/2010 in the amount of \$1,481,594.72.

A motion was made by Commissioner Congdon, seconded by Commissioner Smith and carried to adopt the Consent Agenda consisting of the minutes of the regular meeting held on July 26,

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2010, regular meeting (study session) held on August 2, 2010, and special meeting held on August 3, 2010 and the above listed vouchers, which are on file in the offices of the District.

Next, the Commission considered the matters listed in the Regular Agenda.

RESOLUTION NO. 10-13562 AUTHORIZING THE GENERAL MANAGER TO PURCHASE REAL PROPERTY AND EASEMENT RIGHTS ON PROPERTY OWNED BY THE STATE OF WASHINGTON, DEPARTMENT OF TRANSPORTATION LOCATED IN DRYDEN ADJACENT TO THE DRYDEN WEIR

A motion was made by Commissioner Smith, seconded by Commissioner Gutzwiler and carried adopting Resolution No. 10-13562, which is on file in the offices of the District.

Commissioners reported on the various meetings each attended during the weeks of July 26, 2010 and August 2, 2010.

Treasury Analyst Brian Bjorklund informed Commissioners that Schedule No. 5 of the District's Investment and Banking Policy needs to be updated due to staffing changes at Berkley Rick Administrators Company, LLC; the third party administrator for the District's Self Insurance Program.

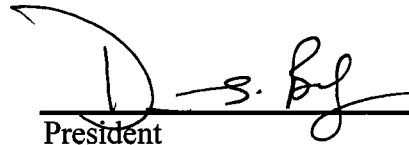
Commissioner Gutzwiler made a motion that Schedule No. 5 of the District's Investment and Banking Policy adopted by Resolution 09-13442 that includes Authorized Signators for Issuance of Workers' Compensation Claims Warrants be updated to delete Kenneth Hopkins and add James M. Foley and John C. Treacy. The motion was seconded by Commissioner Congdon and carried.

Treasury Analyst Brian Bjorklund provided Commissioners the 2nd Quarter Investment Report as of June 30, 2010. The average rate of return during the second quarter (Q2) decreased 21 basis points to 1.86% on an average invested balance of \$414,293,803. The District's average yield for Q2 2010 was 1.77%. (See www.chelanpud.org, August 9, 2010 for the report)

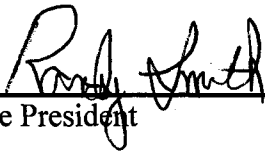
A motion was made by Commissioner Congdon to declare a special meeting on Monday, August 23, 2010 at 9:00 a.m. at the North Central Regional Library Distribution Center, 16 North Columbia Street, Wenatchee, Washington for a board retreat to discuss items including mission/vision, strategic planning, governance and progress on goals for 2010. The motion was seconded by Commissioner Gutzwiler and carried.

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There being no further business, the meeting was adjourned at 1:35 p.m.



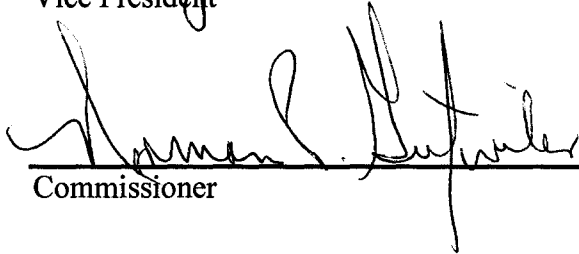
President



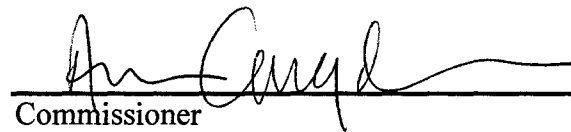
Vice President



Secretary



Commissioner



Commissioner