

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

June 1, 2009

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 June 1, 2009, at the hour of 9:00 a.m., pursuant to proper notice thereof.

Commissioners present were Ann Congdon, Dennis Bolz, Randy Smith, Carnan Bergren and Norm Gutzwiler. In attendance were General Manager Rich Riazzi and Clerk of the Board Sheila Salmon.

Motion was made by Commissioner Smith to convene an executive session commencing at 9:05 a.m. for the purpose of reviewing the performance of a public employee, as authorized by RCW 42.30.110(1)(g). The motion was seconded by Commissioner Bergren and carried unanimously. President Congdon stated that she anticipated the executive session would conclude at approximately 11:05 a.m. The notice of such executive session, including the purpose of the session and the estimated time the session would conclude was properly posted by the Clerk of the Board.

Reconvening into regular session at 10:50 a.m., President Congdon reported that they reviewed the performance of a public employee, as authorized by RCW 42.30.110(1)(g). No action was taken.

President Congdon announced that the Commission would recess for a six minute break and would reconvene back into executive session to continue the review of the performance of a public employee, as authorized by RCW 42.30.110(1)(g). She stated that she anticipated the executive session would conclude at approximately 12:00 p.m.

Reconvening into regular session at 12:00 p.m., President Congdon reported that they reviewed the performance of a public employee, as authorized by RCW 42.30.110(1)(g). No action was taken.

President Congdon announced that the Commission would recess for a five minute break and would reconvene back into executive session to continue the review of the performance of a public employee, as authorized by RCW 42.30.110(1)(g). She stated that she anticipated the executive session would conclude at approximately 12:50 p.m.

Reconvening into regular session at 12:47 p.m., President Congdon reported that they reviewed the performance of a public employee, as authorized by RCW 42.30.110(1)(g). No action was taken.

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The meeting recessed at 12:50 p.m. and reconvened at 1:00 p.m. for the purpose of conducting the business of the District.

Others in attendance for the afternoon session: Bob Huber, Richard Roberts, Cody Horst, Christine Pratt (Wenatchee World), General Counsel Carol Wardell and various staff members.

Dave Parkhill and Pat O'Hara led the Pledge of Allegiance and provided a safety minute.

President Congdon presented the Consent Agenda Items for adoption. She 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 Congdon presented the Consent Agenda items for adoption as follows:

The minutes of the regular meeting held on May 18, 2009 and May 26, 2009 (study session) were presented for approval.

The Auditor's memorandum, dated May 26, 2009, 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 \$6,325,594.21;
2. Customer Deposit Returns payment dated May 26, 2009 in the amount of \$14,312.00; and
3. Net Payrolls, Warrant Nos. 22215 through 2222322 and Advice Nos. 492604 through 493299 for the period ending 5/10/2009 in the amount of \$1,562,519.54.

Resolutions:

RESOLUTION NO. 09-13462 AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 08-38 WITH ENERFIN, INC. OF ST-HUBERT, QUEBEC AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE ROCK ISLAND POWERHOUSE 1 B1 – B4 GENERATOR COOLERS

Motion was made by Commissioner Gutzwiler, seconded by Commissioner Bolz and unanimously carried adopting the Consent Agenda consisting of the minutes of the regular

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session held on May 18, 2009 and study session held on May 26, 2009, the above listed vouchers and Resolution No. 09-13462, which are on file in the offices of the District.

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

REGULAR AGENDA

RESOLUTION NO. 09-13463 AUTHORIZING AMENDMENT THREE TO 2004 INDUSTRIAL POWER SALES CONTRACT BETWEEN PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, ALCOA INC. AND ALCOA POWER GENERATING INC.

RESOLUTION NO. 09-13464 AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO SELL THE NON-POWER ATTRIBUTES ASSOCIATED WITH THE DISTRICT'S HYDRO PROJECTS AND EXECUTE ALL NECESSARY DOCUMENTS

RESOLUTION NO. 09-13465 AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO SELL THE NON-POWER ATTRIBUTES ASSOCIATED WITH THE NINE CANYON WIND PROJECT AND EXECUTE ALL NECESSARY DOCUMENTS

RESOLUTION NO. 09-13466 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH DOUGLAS COUNTY PUBLIC UTILITY DISTRICT FOR THE INSTALLATION OF A PASSIVE INTEGRATED TRANSPONDER TAG MONITORING SYSTEM IN THE ROCKY REACH JUVENILE FISH BYPASS SYSTEM

RESOLUTION NO. 09-13467 CONFIRMING AND RATIFYING THE MAY 21, 2009 APPROVAL AND CONFIRMATION OF THE FINAL ASSESSMENTS AND ASSESSMENT ROLL FOR LOCAL UTILITY DISTRICT (LUD) NO. 10, THE MONITOR WATER SYSTEM; REJECTING THE FILED PROTESTS; AND LEVYING AND ASSESSING THE COST AND EXPENSE OF LUD NO. 10 AGAINST THE LOTS, TRACTS, PARCELS OF LAND AND OTHER PROPERTIES AS IDENTIFIED ON THE ASSESSMENT ROLL

RESOLUTION NO. 09-13468 AMENDING RESOLUTION NO. 07-13211 TO REVISE LANGUAGE ADDRESSING AGGREGATION OF METERS AND BILLING TO SECTIONS 29 AND 43 OF THE DISTRICT'S UTILITY SERVICE REGULATIONS

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A motion was made by Commissioner Smith, seconded by Commissioner Bolz and unanimously carried adopting Resolution Nos. 09-13463 through 09-13468, which are on file in the offices of the District.

Next, Commissioners reported on the various meetings each attended during the weeks of May 18, 2009 and May 26, 2009.

Commissioners were presented an update the 2009 Plan of Finance given by Chief Financial/Risk Officer John Janney. (The presentation can be found at www.chelanpud.org.) The update covered three primary components: 1) Debt conversion of the Consolidated System 2008B bonds from alternative minimum tax (AMT) status to non-AMT; 2) Refunding opportunities of Consolidated System 1999A/B; and 3) New money summary. CFO Janney also shared a press release from Fitch Ratings that confirmed the long- and short-term ratings of AA+/F1+ on the District's \$92,880,000 variable-rate consolidated system revenue bonds refunding series 2008B. Fitch stated that the conversion of the Consolidated System 2008B Bonds from AMT to non-AMT will not have an impact on the ratings.

Motion was made by Commission Bolz, seconded by Commissioner Smith to set a special meeting August 25, 2009, 1:00 to 3:00 p.m. in the boardroom of the District, 327 N. Wenatchee Avenue, Wenatchee, WA for the purpose of the Tri-Commission meeting. The motion was carried.

Motion was made by Commissioner Bolz to cancel the June 8, 2009 study session for the lack of agenda items. The motion was seconded by Commissioner Gutzwiler and carried.

Motion was made by Commissioner Smith at 2:00 p.m. to convene an executive session after a five minute recess for the purpose of continuing the review of the performance of a public employee, as authorized by RCW 42.30.110(1)(g). The motion was seconded by Commissioner Gutzwiler and carried. President Congdon stated that she anticipated the executive session would conclude at approximately 3:00 p.m. The notice of such executive session, including the purpose of the session and the estimated time the session would conclude was properly posted by the Clerk of the Board.

Reconvening into regular session at 3:00 p.m., President Congdon reported that they reviewed the performance of a public employee, as authorized by RCW 42.30.110(1)(g). No action was taken.

President Congdon announced that the Commission would recess for a four minute break and would reconvene back into executive session to continue the review of the performance of a public employee, as authorized by RCW 42.30.110(1)(g). She stated that she anticipated the executive session would conclude at approximately 4:00 p.m.


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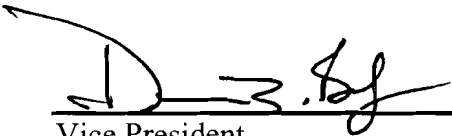
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Reconvening into regular session at 3:42 p.m., President Congdon reported that they reviewed the performance of a public employee, as authorized by RCW 42.30.110(1)(g). No action was taken.

There being no further business, the meeting adjourned at 3:42 p.m.



President



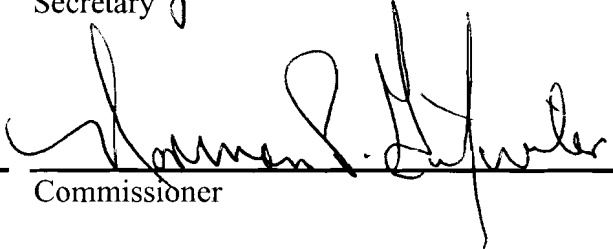
Vice President



Secretary



Commissioner



Commissioner