

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

January 7, 2008

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 January 7, 2008, at the hour of 9:00 a.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, Staff Attorney Karen Wiggum and Clerk of the Board Melisa McPherran. Various staff members were also in attendance.

Others in attendance: Jim Baxter and Christine Pratt (Wenatchee World).

Commissioners discussed plans by the District to hire an additional staff attorney to help cover the growing workload faced by the two District staff attorneys. Staffing is within the general manager's responsibilities, and Commissioners approved the new position in the 2008 budget, but wanted further public discussion of the issue. Commissioner Bolz shared comments he has received from customer owners, including suggestions that it is often better to have outside legal help for a broader perspective. Commissioner Janssen added that he believes there is a perception that inside legal counsel has more influence than they should in day-to-day PUD business. General Manager Richard Riazzi noted that the dynamics of our industry is changing around us and said the PUD is focused on having the right staffing levels as it faces a growing volume of work related to regulation and climate change. He said it is important to have the right knowledge within the PUD's legal department to be proactive and to avoid issues before they develop.

The PUD's general counsel is a full-time position, while the existing staff attorney position is part time, 32 hours a week. The new position would be full-time. Part-time Staff Attorney Karen Wiggum reported that existing staff are facing many new issues and regulations and there was a 90-percent increase in the number of contracts related to PUD work since 2004. Salaries, benefits and taxes for the two existing positions total \$360,000 a year. The 2007 cost for outside attorneys (excluding December) was \$1.8 million.

President Gutzwiler publicly announced that the Commission would convene an executive session commencing at 10:05 a.m. for the purpose of reviewing the performance of a public employee, as authorized by RCW 42.30.110(1)(g). He stated that he anticipated the executive session would conclude at approximately 11:30 a.m.

By motion made by Commissioner Smith, seconded by Commissioner Congdon and carried unanimously, an executive session was convened. 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.

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Reconvening into regular session at 11:30 a.m., the Commissioners reported that they reviewed the performance of a public employee, as authorized by RCW 42.30.110(1)(g). No action was taken.

The meeting recessed at 11:30 a.m. for lunch and reconvened at 1:00 p.m. to continue conducting the business of the District.

Additional members of the public present: Rich Cole.

Communications Web Coordinator Jeri Freimuth led the Pledge of Allegiance and provided a safety minute.

President Gutzwiler 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, and President Gutzwiler presented the Consent Agenda items for adoption as follows:

The minutes of the regular meeting held on December 17, 2007 were presented for approval.

The Auditor's memorandum, dated January 1, 2008, 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 \$9,629,687.95;
2. Payroll for the period ending December 9, 2007 in the amount of \$1,323,674.75 as certified by the Auditor's memorandum;
3. Payroll for the period ending December 23, 2007 in the amount of \$1,506,881.36 as certified by the Auditor's memorandum; and
4. Customer Deposit Returns payment and Bank of America District Credit Card payment dated January 1, 2008 in the amount of \$5,450.56 and \$774.23 respectively.

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Motion was made by Commissioner Janssen, seconded by Commissioner Congdon and unanimously carried adopting the Consent Agenda consisting of the minutes of the December 17, 2007 Commission meeting and the above-listed vouchers.

A motion was made by Commissioner Bolz, seconded by Commissioner Janssen and unanimously carried to designate the following 2008 Customer Partnership Group meetings as special meetings of the Commission:

- February 21, 5:00-6:30 p.m., Chelan Falls @ Campbell's Resort
- March 13, Noon-1:30 p.m., Chelan @ Campbell's Resort
- March 27, Noon-1:30 p.m., Malaga @ the Chelan County Fire District station in Malaga
- April 3, Noon-1:30 p.m., Hispanic @ El Abuelo Restaurant
- April 17, Noon-1:30 p.m., Manson @ Bison Bistro in Manson
- May 15, Noon-1:30 p.m., Medical @ the Wenatchee Roaster

Commissioner Smith made a motion to set a special meeting of the Commission for Tuesday, January 15, at 130pm at the Chelan County Commission Chambers for a meeting with Commissioners from Chelan County and the Port of Chelan County to discuss items of mutual interest. The motion was seconded by Commissioner Bolz and unanimously carried.

President Gutzwiler opened nominations for the office of President. Commissioner Smith nominated and Commissioner Bolz seconded Commissioner Gutzwiler for the office of President. Additional nominations were called for and there were none. President Gutzwiler called for a vote and the nomination to elect Commissioner Gutzwiler President passed unanimously.

President Gutzwiler opened the nominations for the office of Vice President. Commissioner Bolz nominated and Commissioner Janssen seconded Commissioner Congdon for the office of Vice President. Additional nominations were called for and there were none. President Gutzwiler called for a vote and the nomination to elect Commissioner Congdon Vice President passed unanimously.

President Gutzwiler opened the nominations for the office of Secretary. Commissioner Smith nominated and Commissioner Janssen seconded Commissioner Bolz for the office of Secretary. Additional nominations were called for and there were none. President Gutzwiler called for a vote and the nomination to elect Commissioner Bolz Secretary passed unanimously.

The slate of officers for 2008 will be as follows:

Norm Gutzwiler, President
Ann Congdon, Vice President

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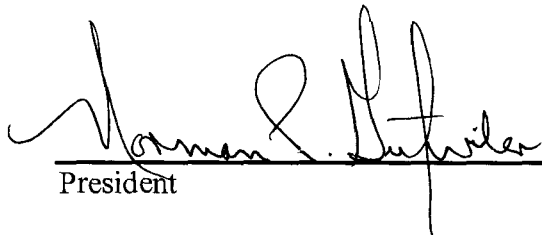
Dennis Bolz, Secretary
Randy Smith, Commissioner
Werner Janssen, Commissioner

The Commissioners reported on the various meetings each attended during the week(s) of December 17, 2007, December 24, 2007 and December 31, 2007.

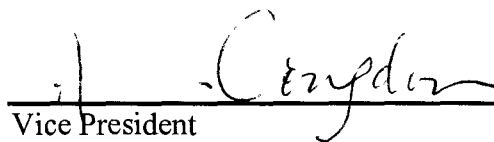
During public comment, Customer-owner Rich Cole of Malaga stated that he is opposed to filling the staff attorney position approved in the 2008 budget. Mr. Cole questioned the need for the position, and said he agreed with e-mailed comments from Gary Nelson of Wenatchee who suggested alternatives to try before adding the third in-house attorney.

Commissioner Smith made a motion to excuse Commissioner Congdon from the February 4, 2008 board meeting. The motion was seconded by Commissioner Bolz and it was unanimously carried.

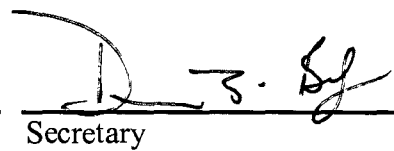
There being no further business, the meeting was adjourned at 1:37 p.m.



President



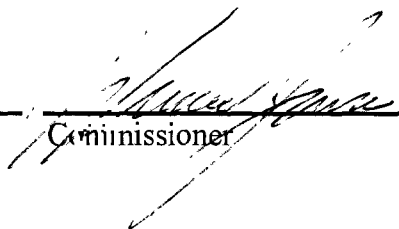
Vice President



Secretary



Commissioner



Commissioner