

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

January 11, 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 January 11, 2010, at the hour of 1:00 p.m., pursuant to proper notice thereof.

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

Others in attendance: Patrice Barrett, Pat Barrett, Bob Huber, Christine Pratt (Wenatchee World).

Transmission & Distribution Foremen Willie Nierman and Cody Murdock 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 meetings held on December 9, 2009 and January 4, 2010 were presented for approval.

The Auditor's memorandum, dated January 5, 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 \$17,653,857.27;
2. Approval of Customer Deposit Returns payment dated January 5, 2010 in the amount of \$1,912.09; and
3. Approval of the net Payrolls, Warrant Nos. 223688 through 223766 and Advice Nos. 503270 through 503877 for the period ending 12/20/2009 in the amount of \$1,420,257.40.

Motion was made by Commissioner Congdon, seconded by Commissioner Bergren and carried adopting the Consent Agenda consisting of the minutes of the meetings held on December 9,

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2009 and January 4, 2010 and the above listed vouchers, which are on file in the offices of the District.

Director of Shared Services Steve Currit updated the Commissioners on an agreement made with the City of Chelan. The agreement postponed the implementation of changes made in 2008 to the District's dock policy for private docks located on District property within a portion of Lake Chelan. Commissioners had agreed not to apply the new policy for one year to six docks located near an existing micro park to give the city time to develop a proposal stating their plans for the area. In November 2009, the Chelan City Council rejected plans presented to them by a subcommittee established by the city council consisting of locals from the neighborhood, interested citizens from outside the neighborhood and city administrators. Steve then introduced Chelan Mayor Bob Goedde and Chelan City Administrator James Reinbold who requested the District further delay the new dock policy until Chelan County completes its shoreline master program.

Speaking for a group of shoreline residents of the micro park area, Scott McKellar requested closure of the issue of the docks within the Chelan area and that the District issue the long-term permits.

Commissioners took no action on the request from the City of Chelan to extend the agreement. President Bolz summarized that by taking no action that the 2008 resolution stands and staff may act accordingly. Commissioner Congdon added that the Commission would be willing to look at a plan that would assure public access and safety in the area.

Commissioners reported on the various meetings each attended during the weeks of December 28, 2009 and January 4, 2010.

Executive Director of Shared Services Wayne Wright informed Commissioners that a recent safety assessment by Community Forestry Consultants, Incorporated (CFC) of Spokane, Washington has identified fifty-one large trees as safety hazards. The trees are located in seven parks operated by the District. CFC examined two hundred and six trees whose trunks were at least 10 inches in diameter and recommended that fifty-one either be removed or trimmed immediately or put on a timeline for eventual correction. Director of Shared Services Steve Currit stated that the parks evaluated included Riverfront Park, Walla Walla Point Park, Kirby Billingsley Hydro Park, Beebe Bridge Park, Powerhouse Park, Chelan Falls Park and Chelan Riverwalk Park. He added that the trees identified as safety hazards will be addressed in the next sixty days by District park staff along with assistance from a contractor. He confirmed that an estimated \$50,000 expense was included in the District's budget to address this issue. He noted that parks staff will be developing a plan for future plantings in the parks based on the changing use patterns that are emerging with increasing development in some areas, particularly the Wenatchee riverfront.

General Counsel Carol Wardell mentioned that three or more Commissioners will be attending the Washington Public Utility District Association Meetings on January 13 through 15, 2010 in Olympia, Washington. According to RCW 42.030.070 and past discussions with the state

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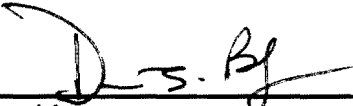
auditor, it is not necessary to declare and notice the meetings as public meetings as Commissioners will not be discussing District business or making any decisions.

General Counsel Carol Wardell requested that the commission convene an executive session at 2:08 p.m. to discuss with legal counsel litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i). She stated that she anticipated the executive session would conclude at approximately 2:35 p.m. By motion made by Commissioner Gutzwiler, seconded by Commissioner Bergren and carried, an executive session was convened following a five minute break. 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 the meeting into public session at 2:35 p.m., President Bolz stated that no decisions were made and no votes were taken during the executive session.


A motion was made by Gutzwiler, seconded by Commissioner Congdon and passed to excuse Commissioner Bergren from the February 8, 2010 regular meeting.

There being no further business, the meeting adjourned at 2:37 p.m.



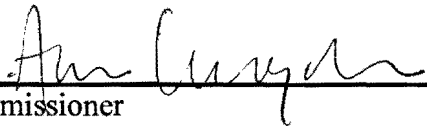
President

Vice President



Secretary

Commissioner



Commissioner