

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

March 9, 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 March 9, 2009, at the hour of 11:00 a.m., pursuant to proper notice thereof.

Commissioners present were Dennis Bolz, Randy Smith, Carnan Bergren and Norm Gutzwiler. Commissioner Ann Congdon was excused. 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

Environmental Compliance Tech Mark Hoefner led the Pledge of Allegiance and provided a safety minute.

Commissioner 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. Commissioner Bolz presented the Consent Agenda items for adoption as follows:

The minutes of the regular meetings held on February 23, 2009, and March 3, 2009 (study session) were presented for approval.

The Auditor's memorandum, dated March 3, 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 \$5,820,885.61;
2. Customer Deposit Returns dated March 3, 2009 in the amount of \$1,345.08; and
3. Net Payrolls, Warrant Nos. 221596 through 221692 and Advice Nos. 488578 through 489226 for the period ending 2/15/2009 in the amount of \$1,390,501.47.

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Resolutions:

RESOLUTION NO. 09-13434 AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 08-36 WITH RESITECH INDUSTRIES, INC. OF NORCROSS, GA AND AUTHORIZING PAYMENT OF RETAINAGE DUE FOR THE RI PH1 TO MCKENZIE 115KV CONDUCTOR

Motion was made by Commissioner Smith, seconded by Commissioner Gutzwiler and unanimously carried adopting the Consent Agenda consisting of the minutes of the February 23, 2009 and March 3, 2009 (study session) meeting, the above listed vouchers and Resolution No. 09-13434, which are on file in the offices of the District.

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

RESOLUTION NO 09-13435 APPROVING A LAND USE PERMIT WITH THE CITY OF WENATCHEE FOR PROPERTY GENERALLY LOCATED NORTHEAST OF THE INTERSECTION OF 9TH STREET AND WALLA WALLA AVENUE FOR USE BY THE WENATCHEE ROW AND PADDLE CLUB

Motion was made by Commissioner Gutzwiler, seconded by Commissioner Bergren to adopt Resolution No. 09-13435. The motion unanimously carried to adopt Resolution No. 09-13435, which is on file in the offices of the District.

RESOLUTION NO. 09-13436 AUTHORIZING PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF WENATCHEE FOR COORDINATION AND CONSTRUCTION OF DISTRICT WORK AS PART OF THE CITY'S RIVERSIDE DRIVE CONSTRUCTION PROJECT

Motion was made by Commissioner Smith, seconded by Commissioner Bergren to adopt Resolution No. 09-13436. The motion unanimously carried to adopt Resolution No. 09-13436, which is on file in the offices of the District.

RESOLUTION NO. 09-13437 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 09-066) WITH UNITED STATES DEPARTMENT OF AGRICULTURE, ANIMAL AND PLANT HEALTH INSPECTION SERVICE, WILDLIFE SERVICES OF OLYMPIA, WASHINGTON FOR PIKEMINNOW AND AVIAN PREDATOR CONTROL AT ROCKY REACH AND ROCK ISLAND DAMS AND RESERVOIRS AND NUISANCE ANIMAL CONTROL AT ROCKY REACH, ROCK ISLAND AND LAKE CHELAN HYDROELECTRIC PROJECTS

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Motion was made by Commissioner Bergren, seconded by Commissioner Smith to adopt Resolution No. 09-13437. The motion unanimously carried to adopt Resolution No. 09-13437, which is on file in the offices of the District.

RESOLUTION NO. 09-13438 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 09-070) WITH Z ENGINEERS, PLLC OF WENATCHEE, WASHINGTON TO PROVIDE GENERAL ELECTRICAL AND SCADA ENGINEERING SERVICES

Motion was made by Commissioner Gutzwiler, seconded by Commissioner Smith to adopt Resolution No. 09-13438. The motion unanimously carried to adopt Resolution No. 09-13438, which is on file in the offices of the District.

A motion was made by Commissioner Gutzwiler to declare as special meetings of the Board for the purpose of Customer Partnership Group meetings the following:

- March 12, 2009 at the Chelan County Fire District #1 station in Malaga;
- April 7, 2009 at the North Central Regional Library;
- April 10, 2009 at the Chelan City Hall;
- April 14, 2009 at Manson Parks & Recreation office;
- May 7, 2009 at Chelan Falls;
- June 18, 2009 at the North Central Regional Library.

All meetings are to be held from 12:00 to 1:30 p.m. with the exception of Chelan Falls which will be held 5:00 – 6:30 p.m. The motion was seconded by Commissioner Smith and unanimously passed.

A motion was made by Commissioner Smith to declare a special meeting March 16, 2009, 5:30 p.m. at the Confluence Technology Center, 285 Technology Way, Wenatchee for the purpose of an update to the community by the General Manager on District finances. The motion was seconded by Commissioner Bergren and unanimously carried.

The meeting recessed at 12:00 p.m. for the purpose of lunch, to reconvene at 1:00 p.m. for the purpose of conducting the business of the District.

External Affairs Director Tracy Yount and Governmental Affairs Manager Suzanne Grassell updated the Board on specific legislation important to the District in the 2009 Legislative Session. Staff is monitoring over 160 bills out of 1600 bills still pending and approaching March 12 cut-off date this week. Bills must pass either the Senate or the House to remain alive. Staff highlighted three bills and their activity in Olympia last week:

- Climate Bills: House and Senate both working on new drafts of their climate change bills;

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- SB 5840: An amendment to Initiative I-937, expected to pass the Senate and encounter challenges in the House. District remains concerned about the proposed new tier to the RPS of 21% by 2020; and
- Bill 5422: Whitewater boating liability bill tentatively agreed on language.

Director Yount briefed Commissioners on the National Hydro Power Association (NHA) Executive Fly-in meeting that he and General Manager Rich Riazzi attended in Washington DC on March 2 - 4, 2009. General messages from NHA to elected officials were: 90,000 Megawatts of existing hydro and another 90,000 Megawatts potential of new hydro; hydro power is an untapped resource; hydro power is a renewable enabler and should be treated the same as other renewable service.

Issues of the Federal Stimulus Program, State Legislature, Climate Change, RPS/RES, and Natural Resources will be watched by the External Affairs with assistance from a team of outside consultants. The outside consultant advisor team consists of Strategies 360 (Strategic Advisor Matt Steuerwalt), Dave Arbaugh and Associates at the state level, Thompson Smith, Washington Two Advocates, and Davis Wright Tremaine. The 2009 consultant budget is \$590,000 which is a 31% reduction from the 2008 budgeted amount. The individual contract amounts are within the delegated limits established by Resolution No. 08-13325.

Next, the Commissioners reported on the various meetings each attended during the weeks of February 23, 2009 and March 3, 2009.

General Manager Rich Riazzi noted that the revised rate structures established to promote conservation are scheduled to become effective April 1, 2009. Commissioner Bolz reminded the public that 70% of rate payers should stay at or below current charges.

General Counsel Carol Wardell requested that the commission convene an executive session at 1:45 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 2:20 p.m. By motion made by Commissioner Smith, seconded by Commissioner Gutzwiler and unanimously carried, 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. Commissioner Bolz recused himself from the executive session.

Reconvening the meeting into public session at 2:24 p.m., Commissioner Gutzwiler stated that no decisions were made and no votes were taken during the executive session.

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There being no further business, the meeting adjourned at 2:25 p.m.

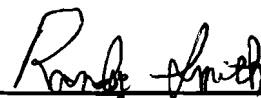
It was requested after adjournment of the March 9, 2009 by the Commissioners present at today's meeting that the Board of Commissioners, pursuant to RCW 42.30.080, would hold a special meeting on Thursday, March 12, 2009 at 2:30 p.m. in the board room at District headquarters. The purpose of the meeting would be to hold an executive session to discuss legal issues pursuant to RCW 42.30.110)1)(i).



President




Vice President



Secretary



Commissioner



Commissioner

