

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

April 13, 2009

The regular meeting (study session) 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 April 13, 2009, at the hour of 11:00 a.m., pursuant to proper notice thereof.

Commissioners present were Ann Congdon, Carman Bergren, Randy Smith and Norm Gutzwiler. 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 and Christine Pratt (Wenatchee World).

Workers Compensation Administrator Patty Wachtel led the Pledge of Allegiance and provided a safety minute.

Motion was made by Commissioner Smith to excuse Commissioner Dennis Bolz from today's meeting due to health reasons and Commissioner Norm Gutzwiler from the morning session. The motion was seconded by Commissioner Bergren and unanimously passed.

Motion was made by Commissioner Bergren to approve attendance via telephone by Commissioner Bolz at the April 13, 2009, at 5:30 p.m. special meeting. The motion was seconded by Commissioner Smith and unanimously passed.

Recruiting Manager Ruth Erwert demonstrated the District Online Application Process which was launched on February 13, 2009. She told Commissioners that the District had received 500 applications the first week. Todd West, hiring manager fish and wild seasonal positions, told Commissioners he recently hired several skilled individuals using the new application process. He received over 400 applications for 9 seasonal positions. The Field was narrowed to 100 in only a week based on screening criteria applied to the application and the efficiencies of the new system.

Office Services Department Manager Sharon Turcotte and Office Services Administrator Janelle Schmutzler informed Commissioners about the new lease contract for Xerox copier services that will save an estimated \$210,000 per year by reducing the number of machines leased for the next five years. The contract will run May 1, 2009 through 2014. The contract, involving equipment with replacement values totaling less than a million dollars, falls within the guidelines of the delegation Resolution No. 08-13325. Manager Turcotte said her staff plans to educate District staff on the use of color versus black and white copies, single sided versus duplex, and the merits of utilizing the District's print shop which will result in additional savings for the District.

Director of Shared Services Steve Currit told Commissioners that budget cuts have required reductions in parks operations and maintenance. Director Currit explained that the \$425,000 cut from the parks operating budget this year and the \$1.7 million of 2009 capital improvements which were scaled back to \$150,000 will be noticed by visitors to the parks. Some of the operational changes include: spending less time monitoring restrooms, lawns will be mowed less

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often, District employees will not groom infields between games and lights will go out at 10:30 p.m.

Director Currit also noted that there is a need to update the guidelines of the Park Rules and Regulations for Park and Recreation Facilities Owned and Operated by the District. Updates to that would allow non-profit groups that hold special events in the park to camp and allow alcohol at the event as long as park rules are followed. The General manager or designee shall have the authority to adopt reasonable rules and regulations for operation, management and use of the park system so long as those rules and regulations follow guidelines and support the principles stated. Commissioners agreed with the intent of the updates. The park policy guidelines will be presented to Commissioners at a later date.

The meeting recessed at 11:55 a.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 about 90 bills out of 650 bills still pending. Staff highlighted the following bills and their activity in Olympia last week:

- I-937 – pending in rules committee raises renewable standards to 16.25 and HB1009 would provide tax relief for qualifying of capital purchases of wind and solar equipment
- Climate Change (SB 5735) – requires agency to report recommendations on an “emissions reduction trajectory” by next year.
- State intends to transfer funds from the public works trust fund to the state operating budget. District staff drafted a letter of concern regarding the transfer for signature by President Congdon and General Manager Riazzi.
- HB 1836 – Public works projects over \$1M must contain a provision requiring out of state contractors to submit a certified list of off-site prefabrication, project-specific items produced outside the states.

Treasurer Debbie Litchfield provided an overview on the District’s 2009 Plan of Finance. (Refer to 2009 Plan of Finance presentation at www.chelanpud.org) The plan consists of three components: 1) debt conversion from AMT to non-AMT bonds resulting in savings; 2) refunding opportunities resulting in savings; and 3) cost effective new money. Draft documents on the debt conversion 2009B schedule and Debt refunding 2009AB schedule were presented to the Board for their review. The final documents are to be presented to the Board on April 23, 2009 for adoption on April 27, 2009. The Board will receive the documents for the new money issuance on the May 26, 2009 with final documents to be presented to the Board on June 4, 2009 with adoption on June 8, 2009. Staff will hold a TEFRA hearing on April 17, 2009 in the board room.

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General Manger Rich Riazzi reminded the Board and invited the public to attend a public meeting at 5:30 p.m., April 13, 2009 at the Confluence Technology Center to hear his recommendation regarding a possible surcharge.

A motion was made by Commissioner Smith and seconded by Commissioner Gutzwiler to set Thursday, May 7, 2009 for a board retreat as a special meeting from 9:00 a.m. to 12:00 noon at the Regional Library Headquarters, 16 N. Columbia Street, Wenatchee. The motion unanimously carried.

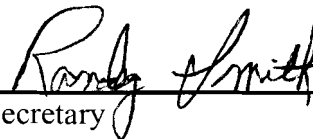
A motion was made by Commissioner Bergren and seconded by Commissioner Smith to set Saturday, June 6, 2009 for the Lake Wenatchee/Plain Partnership meeting to be held at the Lake Wenatchee Recreation Club, 14000 Chiwawa Loop Road, Lake Wenatchee from 10:00 a.m. to 12:00 noon. The motion unanimously carried.

General Counsel Carol Wardell mentioned that 3 or more Commissioners will be attending the Washington Public Utility District Association Meetings on April 17, 18 and 19, 2009 in Olympia, Washington. According to RCW 42.030.070 and past discussions with the state auditor, it is not necessary to declare and notice the meeting as a public meeting as Commissioners will not be discussing District business or making any decisions. President Congdon told Commissioners no action will be required at the meeting.

There being no other business, the meeting adjourned at 2:15 p.m.



President

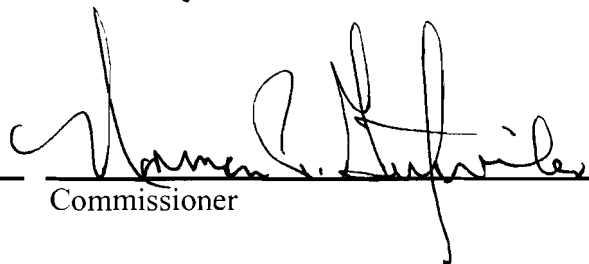


Secretary

Vice President



Commissioner



Commissioner