

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

September 14, 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 September 14, 2009, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were Dennis Bolz, Carnan Bergren and Norm Gutzwiler. Commissioner Randy Smith attended via telephone. Commissioner Ann Congdon was excused. In attendance were General Manager Rich Riazzi, Attorney Karen Wiggum and Clerk of the Board Sheila Salmon. Various staff members were also in attendance.

Others in attendance: Steve Hair (Koho Radio) and Christine Pratt (Wenatchee World).

Recreation Resource Planning Advisor Kris Pomianek led the Pledge of Allegiance and provided a safety minute.

Members of the Andrew York Lineman Rodeo Committee thanked Commissioners for their support of the 5th Annual Rodeo and presented a commemorative plaque. They reported that the rodeo raised \$13,000 for scholarships.

Customer Service Administrator Susan Gillin provided an update on the District's Sustainable Natural Alternative Power (SNAP) program. State law requires utilities to offer voluntary green programs. In the 2008-2009 production year, forty-five SNAP producers generated 117,000 kilowatt hours of electricity. The program took in \$26,000 in customer contributions. During the 2009 legislative session, Legislators raised the payment cap to producers paid through the state incentive program from \$2,000 to \$5,000 and extended the program to June 30, 2020; these changes have been incorporated into the District's SNAP policies. The Legislature also created provisions for community solar programs. District staff evaluated the SNAP program and made the following recommendations to revitalize the program: provide customers a single point of contact for the program, standardize the District's process to connect to the grid; direct customers in need of technical assistance to local consultants; meet with non-school producers to grow the program; continue with a feasible marketing plan and look for new funding resources.

Water Resources Manager Ron Slabaugh provided an overview of proposed changes to the Utility Services Water Wastewater Line Extension Policy and information on a new Water Rights Acquisition Policy. Updates to the Water Wastewater Line Extension Policy would include provisions for temporary water service, while a permanent service is being constructed; cost sharing between a developer and the District for facility oversizing; and bonding for uncompleted work. Manager Slabaugh informed Commissioners that the Water Rights Acquisition Policy provides a means for the District to acquire water rights to support new development. It would be applicable to the District's water service for its small water systems, but is not applicable to the Regional Water System. Legal lots of record would be entitled to a single residential-size connection. Additional connections resulting from land subdivision and development will require transfer of water rights or payment in lieu of transfer. Manager

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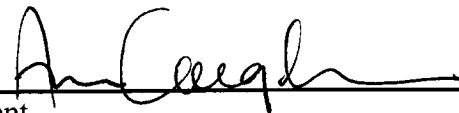
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Slabaugh will request final approval of both policies by the Board at the October 5, 2009 regular meeting.

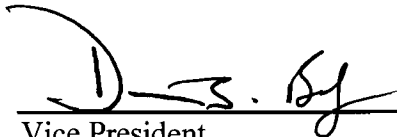
District Engineering Services Department Manager Bill Christman provided an update on the Chelan River Restoration project. He reported that the final cost of the project came in under budget for a total of \$15,900,000. The project included enhancements to the stream and the powerhouse tailrace for spawning steelhead and Chinook salmon, a new pump station to assure adequate water for spawning fish, and a low-level outlet at the Chelan dam that will provide a minimum stream flow through the river year-round. License Program Coordinator Jeff Osborn added that the District's license for the Chelan Hydro Project requires the District to monitor the river restoration through 2019 to examine whether it meets biological objectives. Public tours of the project are schedule for Saturday, October 17, 2009. An agency and stakeholder project commemoration is scheduled for Thursday, November 5, 2009.

Customer Service Director John Stoll informed Commissioners of change to the Chelan office hours to be implemented on October 1, 2009. The office will close each day from 11:30 a.m. to 12:30 p.m. The office will be open from 8:00 a.m. to 11:30 and 12:30 p.m. to 5:00 p.m. The change was made as a cost saving measure.

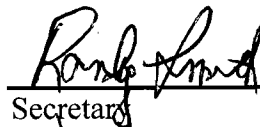
There being no other business, the meeting adjourned at 2:05 p.m.



President



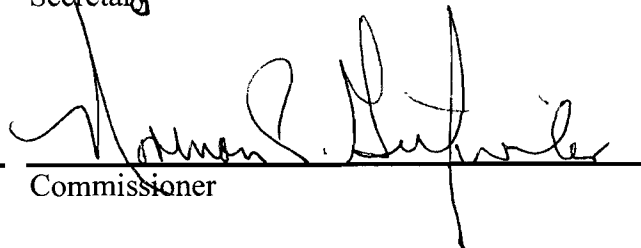
Vice President



Secretary



Commissioner



Commissioner