

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

September 21, 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 September 21, 2009, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were Ann Congdon, Dennis Bolz, Randy Smith, Carnan Bergren 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: Al Hagen, Mayor Dennis Johnson, Allison Williams, Bob Huber and Christine Pratt (Wenatchee World).

Help Desk Coordinator Shari Winn led the Pledge of Allegiance and provided a safety minute.

President Congdon presented the Consent Agenda Items for adoption. She 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 Congdon presented the Consent Agenda items for adoption as follows:

The minutes of the meetings held on September 8, 2009 (regular meeting) and September 14, 2009 (study session) were presented for approval.

The Auditor's memorandum, dated September 15, 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 \$5,051,922.05;
2. Approval of Customer Deposit Returns payment dated September 15, 2009 in the amount of \$1,670.85; and
3. Approval of the net Payrolls, Warrant Nos. 223017 through 223111 and Advice Nos. 498106 through 498779 for the period ending 8/31/2009 in the amount of \$1,540,328.94.

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Resolution:

RESOLUTION NO. 09-13493 APPROVING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 08-32 WITH SEIMENS POWER TRANSMISSION AND DISTRIBUTION OF WENDELL, NORTH CAROLINA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE DUE FOR THE CIRCUIT BREAKER RACKING UPGRADES

RESOLUTION NO. 09-13494 APPROVING BIDDING DOCUMENTS FOR DISTRICT TREE TRIMMING (BID 09-36) AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

RESOLUTION NO. 09-13495 AUTHORIZING THE GENERAL MANAGER TO AMEND PROFESSIONAL SERVICES AGREEMENT (PSA NO. 06-132) WITH PRICEWATERHOUSECOOPERS LLP OF THE STATE OF DELAWARE TO EXTEND AUDIT SERVICES FOR THREE ADDITIONAL YEARS

Motion was made by Commissioner Smith, seconded by Commissioner Bolz and carried adopting the Consent Agenda consisting of the minutes of the meetings held on September 8, 2009 (regular meeting) and September 14, 2009 (study session) the above listed vouchers and Resolution Nos. 09-13493 through 09-13495, which are on file in the offices of the District.

Next, Commissioners considered items listed in the Regular Agenda.

RESOLUTION NO. 09-13496 AUTHORIZING AMENDMENT NO. 3 TO SERVICES AGREEMENT (SA TA NO. 06-057) WITH URS CORPORATION OF DENVER, COLORADO TO PROVIDE PROFESSIONAL SERVICES RELATED TO SEISMICITY AND STABILITY OF THE DISTRICT'S HYDROELECTRIC PROJECTS

A motion was made by Commissioner Gutzwiler, seconded by Commissioner Bolz and carried adopting Resolution No. 09-13496, which is on file in the offices of the District.

Recreation Resource Plan Advisor Kris Pomianek distributed a handout titled "Draft Guiding Principles for Consideration, City of Wenatchee Local Revitalization Financing District" to the Board. She said the City of Wenatchee (City) is seeking funding for five projects in or around the riverfront as part of a Local Revitalization Financing District. The proposed projects include: Pybus Market; Public Works Brownfield Remediation/Eco Marina; Treatment Plant/odor and visual mitigations; Waterfront Gateway Enhancements/extending Orondo Street; and Row and Paddle Facility/parking and development. Director of Shared Services Steve Currit told Commissioners that District staff developed the draft principles in coordination with City

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employees Allison Williams and Steve King. The guiding principles, if approved by the Board and the City Council, would be used as a guide in developing further agreements as development on the Wenatchee riverfront continues. Director Currit proposed the following guiding principles:

- All planning will incorporate these fundamental principles.
- Additional boat trailer parking of 11 spaces for the day- use moorage dock.
- Parking and other support facilities will be provided. The city will work to maximize the parking for development outside the park.
- Any plan shall preserve the total net area.
- The District will incur no increase in operating and maintenance costs or liability.
- Pedestrian access from Orondo Avenue should be included.
- Funding for paving District-owned land adjacent to Linden Tree should be included.
- A marina is not a reduction in park area.
- Mitigation for wastewater treatment plant odor and visual impact should be included.
- The project will fund all project costs. This principle applies to each of the others.

The detailed draft can be found at www.chelanpud.org under Board Agendas, Recordings for September 21, 2009. Wenatchee Mayor Dennis Johnson, General Manager Rich Riazzi and Commissioners all spoke in support of the Draft Guiding Principles.

A motion was made by Commissioner Bolz to approve the “Draft Guiding Principles for Consideration, City of Wenatchee Local Revitalization Financing District” as proposed and authorize staff to present the draft to the Wenatchee City Council. The motion was seconded by Commissioner Smith and passed.

Commissioners reported on the various meetings each attended during the weeks of September 8, 2009 and September 14, 2009.

A motion was made by Commissioner Bolz, seconded by Commissioner Smith and passed to declare as special meetings of the Board:

- Tuesday, October 6, 2009 at 6:30 p.m. for the purpose of the Entiat Community meeting to be held at the Entiat School, 2650 Entiat Way, Entiat WA.
- Thursday, October 8, 2009 at 9:00 a.m. for the purpose of the Board Retreat to be held at the Rocky Reach large conference room.
- Friday, October 9, 2009 at 10:00 a.m. for the purpose of the Reburial Ceremony for Colville and Yakima Tribes to be held at the Tribal Cemetery in Manson, WA.
- Tuesday, October 13, 2009 at 2:00 p.m. for the purpose of the Tri-Commission meeting to be held at Chelan County PUD, Wenatchee, WA.
- Thursday, October 5, 2009 at 10:00 a.m. for the purpose of the Chelan River Restoration and Enhancement Project Ceremony to be held at Campbell’s Resort, Chelan, WA.

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General Counsel Carol Wardell informed Commissioners that the Legislature changed the statute which limits the ability of the District to do construction projects pursuant to the small works procedures. Previously, projects estimated to cost less than \$200,000 could be awarded and proceed pursuant to the small works procedures. The Legislature increased the limit to \$300,000. The implementation of the small works procedures was previously delegated to the General Manager and a quarterly report of small works awarded is provided to the Board.

General Counsel Carol Wardell distributed to Commissioners two Washington State Auditor's Office Reports for the year ending 2008 and stated that the District received a clean audit report from the state. The Accountability Audit Report concluded that the District has adequate internal controls and complies with state laws, regulations and its own policies and procedures. Auditors noted that the past six annual audits have been free of audit findings. The Financial Statements and Federal Single Audit Report concluded that the District had no deficiencies or material weaknesses and had complied with all requirements.

Public Information Officer Kimberlee Craig shared a video message on public power developed by the members of the Washington Public Utility District Association's communications group.

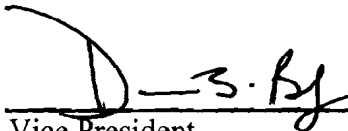
Director of Customer Service John Stoll gave an update on the Energy Efficiency and Conservation Block Grant (EECBG) available as part of the stimulus funding. The District has offered support in partnering with entities applying for the EECBG. District support will be focused on working the entities to leverage the energy efficiency and conservation opportunities identified.

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There being no further business, the meeting adjourned at 2:24 p.m.



President



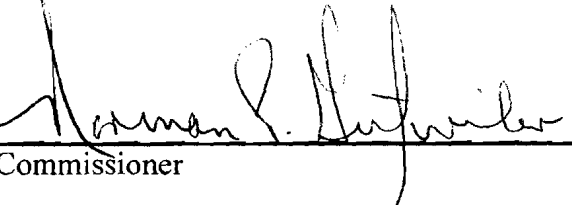
Vice President



Secretary



Commissioner



Commissioner