

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

September 28, 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 28, 2009, at the hour of 1:00 p.m., pursuant to proper notice thereof.

Commissioners present were Ann Congdon, Randy Smith, Carnan Bergren and Norm Gutzwiler. Commissioner Dennis Bolz was excused from the meeting for the purpose of attending legislative meetings in Washington DC in behalf of the District. In attendance were Acting General Manager Joe Jarvis, General Council Carol Wardell 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).

Occupation Health Specialist Brooke Thomsen led the Pledge of Allegiance and provided a safety minute.

A motion was made by Commissioner Smith to excuse Commissioner Bolz from today's meeting. The motion was seconded by Commissioner Bergren and passed.

Director of Communications Steve Lachowicz announced that he has been appointed as the new manager of the Customer Partnership Group (CPG) meetings. He presented the fall meeting schedule for approval by the Commission and requested that the Commission declare the meetings as special meetings of the Board.

A motion was made by Commissioner Gutzwiler, seconded by Commissioner Bergren and passed to designate the following 2009 Customer Partnership Group meetings as special meetings of the Commission:

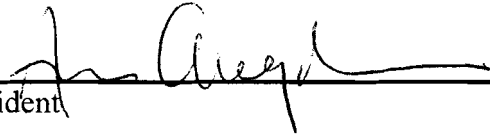
- October 21, 2009 at noon – 1:30 p.m., Wenatchee CPG @ Coast Wenatchee Center;
- November 10, 2009 at noon – 1:30 p.m., Peshastin-Dryden CPG @Icicle Ridge Winery;
- December 9, 2009 at noon – 1:30 p.m., Leavenworth CPG @Icicle Inn.

Strategic Financial Planning Director Kelly Boyd presented an overview of the 2010 Budget. She stated that the areas of strategic focus planned for 2010 are hydro modernization, hatchery improvements, electric system reliability, governance, risk and compliance. Key budget assumptions included net wholesale revenue at 50% probability level; electric surcharge in place until April 30, 2010; electric rate design changes to go into effect May 1, 2010; potential of further surcharge and rate increase to be determined as water conditions, wholesale prices and operating expenses are monitored; general inflation of 3%; system load growth; and cost containment. Staff plans to present the 2010 Budget to the Commission in October with final approval scheduled for December 7, 2009. (See www.chelanpud.org for Budget 2010 Overview presentation to the Board.)

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Commissioner Congdon excused herself from the remainder of the meeting at 2:18 p.m.

There being no other business, the meeting adjourned at 2:23 p.m.

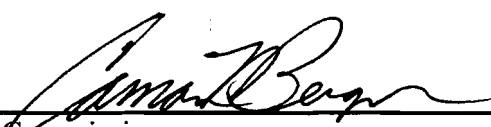


President

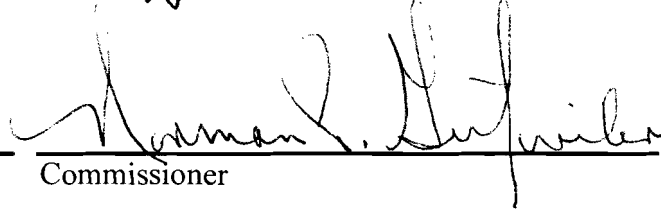
Vice President



Secretary



Commissioner



Commissioner