

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

October 20, 2009

The regular meeting (board retreat) of the Commission of Public Utility District No. 1 of Chelan County, Washington, was held at Rocky Reach Dam, in the fourth floor large conference room, Wenatchee, Washington, on October 20, 2009, at the hour of 9:00 a.m., pursuant to proper notice thereof.

Commissioners present were Ann Congdon, Dennis S. Bolz, Randy Smith, Carnan Bergren and Norm Gutzwiler. In attendance were External Affairs Manager Jeff Smith and Clerk of the Board Sheila Salmon.

Others in attendance: Director of Strategic Financial Planning Kelly Boyd, Senior Strategic Financial Planning Analyst Scott Taylor, Business Advisor TJ Farrell, Governmental Affairs Manager Suzanne Grassell and General Manager Rich Riazzi.

Commissioner Denise Bolz led the Pledge of Allegiance.

Manager of Visitor Service for Rocky Reach Hydro Debbie Gallaher welcomed Commissioners to the facility and Director of Rocky Reach Hydro Dan Garrison provided a safety minute.

Commissioners reviewed the following objectives of the Board's Balanced Scorecard:

S1 - Sustain our Public partnership; Commissioners set attendance targets of 75% for the Customer Partnership Groups (CPG), Tri-Commission and Mid-C Commissioner/Manager meetings for each Commissioner.

CPG meetings consists of thirteen groups: one each from the cities of Malaga, Chelan, Manson, Chelan Falls, Lake Wenatchee, Entiat, Cashmere, Wenatchee, Peshastin-Dryden, and Leavenworth; as well as PUD Retirees and representatives from Hispanic and Medical groups. It was discussed to include an industrial group in 2010. It was further discussed to reconsider the makeup of the groups including the potential to condense the number of groups. Lunch is provided by the District at most meetings.

Under objective G3 – Responsible Board Representation; Commissioners set a target for each Commissioner to attend 90% of the regularly scheduled Commission meetings. Commissioners set the target for Board coverage in key association meetings at 100% attendance by one (1) Commissioner at each of the American Public Power Association (APPA), Northwest Hydroelectric Association (NWPPA), National Hydropower Association (NHA) and Energy Northwest (ENW) meetings. Actual attendance may be adjusted based on meeting content. Commissioners set the target for attendance at WPUA meetings at a total of fifty meetings per year.

Next, the Commissioners discussed the Board's operating budget. It was discussed to move the dues paid for membership in Chambers of Commerce within Chelan County as well as dues paid for membership in APPA, NWPPA and NHA to the budget of other departments. It would be left up to staff to determine which departments the related dues would be moved to.

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A motion was made by Commissioner Gutzwiler to include the dues for membership in Washington Public Utility District Association (WPUA) in the Commissioners' budget and move all other dues into other department budgets. The motion was seconded by Commissioner Smith and unanimously passed.

A motion was made by Commissioner Smith to authorize the Commissioner's budget to include the cost of attendance of two Commissioners per meeting at the APPA, NWPPA, NHA and ENW meetings. The motion passed 4 to 1 with Commissioner Gutzwiler voting no.

The meeting recessed at 11:04 a.m. to reconvene at 11:15 a.m. for the purpose of a working lunch discussion with General Manager Rich Riazzi. Items discussed included the public input process for strategic planning, compensation programs and preliminary 2010 budget.

The meeting recessed at 1:35 p.m. to reconvene at 1:40 p.m.

Commissioners discussed their role as Board members to support their mission statement "To safely provide utility services that enhance the economy and quality of life in Chelan County".

- Be responsive and responsive to ratepayers,
- Ensure the District provides reliable, low-cost services
- Reduce the conflict between customer expectations of no increase for services and low-cost services, and
- Provide a stable predictable long-term plan.

Commissioners will continue discussion on their role as Board members at the next Board retreat.

Commissioner Congdon reported on the Nuclear Power Conference she attended in September. She stated that the industry is different but the issues are the same.

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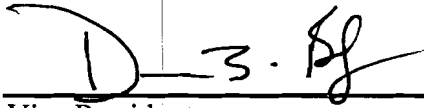
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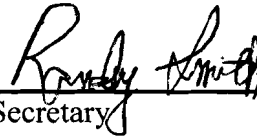
There being no other business, the meeting adjourned at 2:20 p.m.



President



Vice President



Secretary



Commissioner

Commissioner