

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

August 17, 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 August 17, 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: Ray Taylor, Bill Stokes, Seth Veteto and Christine Pratt (Wenatchee World).

Conservation Program Manager Mark Wisner led the Pledge of Allegiance and provided a safety minute.

Jim Oakley of Energy Northwest, a joint operating agency that operates the Columbia Station Nuclear Plant, updated the Board on the agency's current activities.

A motion was made to amend the Capital Items List to increase the Chelan Hatchery Water Supply project by \$3,101,669. The motion was seconded by Commissioner Smith and passed.

Commissioners continued discussion from the July 20, 2009 study session on the following Board Balanced Scorecard items:

G4 Ensure Compliance – Commissioners agreed that the current annual reporting process by the Internal Auditor provides sufficient information to the Commission.

G1 Ensure Effective Execution – Commissioners discussed development of a method to incorporate board input into determining compensation for the District's General Counsel since General Counsel has a dual reporting responsibility to the Board and General Manager. General Manager Riazzi will present a strawman document at the September 21, 2009 regular meeting.

G3 Responsible Board Representation – Commissioners requested more time to consider planned attendance at key meetings and associations. Commissioners also asked staff to provide estimated costs for meeting attendance so the information could be used to help determine the number of meetings that are feasible to attend within the budget. Discussion will continue at the September 21, 2009 regular meeting.

G1 Ensure Effective Execution – Commissioners discussed the schedule for annual review of key district policies and agreed that the Enterprise Risk Management Policy and the Power Risk Management Policy would be reviewed before the end of the 4th quarter.

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S1 Sustain our Public Partnership – Commissioners discussed combining the two items of sustaining public partnership and providing responsible board representation into a new single scorecard item and how to measure it. Discussion will continue at the September 21, 2009.

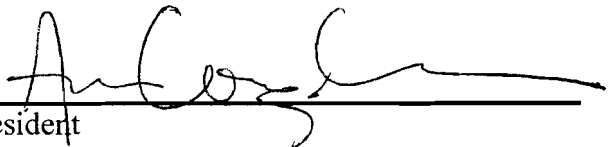
A motion was made by Commissioner Smith, seconded by Commissioner Bolz and passed to excuse Commissioner Congdon from the August 25, 2009 Tri Commission meeting.

Commissioner Congdon requested a copy of the resolution that approved the District's participation in the maintenance of the public dock located at the end of Orondo Street.

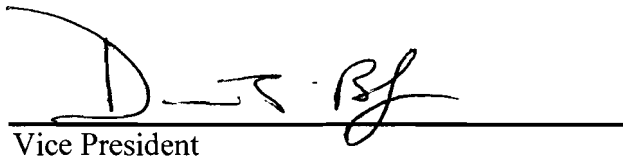
General Counsel Carol Wardell requested that the commission convene an executive session at 2:44 p.m. to discuss with legal counsel litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i). She stated that she anticipated the executive session would conclude at approximately 3:00 p.m. By motion made by Commissioner Gutzwiler, seconded by Commissioner Bergren and carried, an executive session was convened after a 5 minute recess. The notice of such executive session, including the purpose of the session and the estimated time the session would conclude was properly posted by the Clerk of the Board.

Reconvening the meeting into public session at 3:05 p.m., President Congdon stated that no decisions were made and no votes were taken during the executive session.

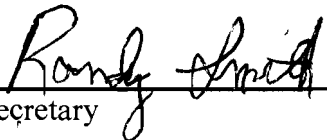
There being no other business, the meeting adjourned at 3:05 p.m.



President



Vice President



Secretary



Commissioner



Commissioner