

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington April 16, 2018

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 N. Wenatchee Avenue, Wenatchee, Washington, on April 16, 2018, at the hour of 10:00 am, pursuant to proper notice thereof.

**Commissioners present:** Dennis Bolz, President  
Garry Arseneault  
Ann Congdon  
Steve McKenna (by phone)  
Randy Smith

**Staff present:** Steve Wright, General Manager  
Erik Wahlquist, General Counsel  
Rebekah Garfein, Clerk of the Board  
Various staff

**Others in attendance:** Randy Brooks, Plug In NCW  
Michael Chambers  
Pat McGrath  
Denton Meur

## **Call To Order**

- President Bolz called the meeting to order at 10:04am

## **Pledge of Allegiance and Safety Minute**

- Bruce Porter, Procurement Supervisor, led the pledge and provided a safety minute on work zone safety

## **Agenda**

- Agenda was approved as presented

## **Cycle of Personal Ownership (CPO) Recognition**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Steve Wright, General Manager, recognized the March CPO Winners:
  - Teneille Hatmaker, Parks Support Specialist
  - Russ Strong, Senior Systems Operator
  - Minh Dang, Contract Specialist
  - Chad Miller, Materials Specialist

## **Quarterly Board Balanced Scorecard Status Update**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Commissioners reviewed one exception related to attendance at the first quarter Energy Northwest meeting

### **Replacement Standby Bond Purchase Agreement**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Heather Irelan, Lead Treasury Analyst, reviewed the purpose of replacing the standby bond purchase agreement related to 2008B Variable Rate Bonds
  - Variable rate bonds provide diversification in the District debt portfolio
    - Flexible; allows us to pay them off at any time
    - Interest paid on bonds mirrors interest earned on investments
  - Current agreement expires in April 2019; there is a cost savings for the District by substituting a new agreement prior to the expiration of the current agreement
  - The new agreement will have a 4-year term

### **Electrification and Electric Vehicles**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Jim White, Senior Energy Conservation Engineer, gave an update on electrification of vehicles
- Jim acknowledged Randy Brooks of Plug In NCW; Plug In NCW pays for use of the current electric vehicle (EV) chargers installed by the PUD in public areas
- Overall the regional study shows a positive impact to customers with electrification of vehicles
  - There is a cost to the District of EVs as power is used to charge them and would not be sold on the wholesale market
  - Worked with Western Washington University to identify opportunities for cost recovery

### **Climate Change Forecast**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Shaun Seaman, Government & External Affairs Program Manager, John Wasniewski, Energy Analyst, and Mike Bradshaw, Term Power Trader, reviewed climate change forecasts
- Information used in the forecasts include climate modeling from University of Washington and River Management Joint Operating Committee (includes Bonneville, Bureau of Reclamation, and Army Corp of Engineers data)
- Generally expect more rain in the winter, leading to less snowpack and drier summers impacting river flows
- Reviewed vulnerability analysis for impacts to the District
- Next steps include incorporating this information into long-term decisions on District projects

### **Lessons Learned on Consent Agenda Resolution**

- Bob Seabeck, Construction Manager, noted lessons learned from the Chelan Falls Boat Launch and Dock Replacement contract
- Must review and confirm that nothing has changed from the original scope, methods of construction, quantities, or brand names submitted in original permit documents
- Typically 18-24 months between permitting and project award
- A process has been implemented to support this review and permit amendment process, when appropriate

### **Manager Items**

- John Wasniewski, Energy Analyst, gave an update on the Lake Chelan lake level
  - April 1 forecast for Lake Chelan is 112% of average keeping us on the dry and average water curve
  - On target to meet May 1 lake levels
- Suzanne Hartman, Communications Manager, noted that Earth Day is April 22; the District is participating in events in Wenatchee, Chelan, and Leavenworth
- Susan Gillin, Energy Efficiency Marketing Strategist, announced two awards recently received on the Better Ways to Save campaign
- Steve Wright, General Manager, gave an update on the Strategy Partners meeting, which had good turnout

- Steve Wright suggested consideration of moving the afternoon session on May 14 to the CTC to accommodate a potentially large number of attendees

#### Commissioner Items

- Commissioner Bolz recognized Commissioner Smith as one of this year's recipients of the Northwest Public Power Association (NWPPA) Paul J. Raver Community Service Award
  - This is a community service award given to a person who has shown superior leadership in bettering of cities, locales, states, or regions
  - The award will be presented in May at the NWPPA Annual Conference in Boise

#### Recessed at 12:02pm and Reconvened at 1:02pm

#### Consent Agenda

- President Bolz presented the consent agenda which included the following items:
  - April 2, 2018 Regular Meeting
  - Vouchers: Accounts Payable Summary Report dated April 11, 2018:
    - Vouchers totaling \$14,528,474.17;
    - Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 28, 2018 through April 10, 2018 in the amount of \$10,498.53;
    - Approval of the net Payrolls, Warrant Nos. 235885 through 235911 and Advice Nos. 651029 through 651804 for the pay period ending 04/1/2018 in the amount of \$1,919,455.21; and
    - Approval of Warrant Nos. 24322 through 24359 totaling \$23,127.85 for claim payments from the workers' compensation self-insurance fund for the period ending April 9, 2018.
  - Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-06 WITH PACIFIC PILE & MARINE, LP OF SEATTLE, WA AND AUTHORIZING PAYMENT OF RETAINAGE

#### MOTION

Moved by: Commissioner Smith  
 Seconded by: Commissioner Congdon  
 To approve the consent agenda as presented  
 Approved: Unanimously

#### Resolution 12

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- John Stoll, Managing Director of Customer Utilities, Cathy Melton, Customer Service Program Analyst, and Kerri Wendell, Customer Relations Manager, presented updated utility service regulations and proposed fees for unauthorized high density load (HDL) use
  - John gave examples from last week of unauthorized use that has been identified; this work continues to tax our resources
  - Cathy Melton summarized utility service regulation changes; theft of service may be referred to law enforcement for prosecution
  - Fees for unauthorized HDL use were reviewed
  - Discussed a fee amnesty period
    - Commissioners agreed with an amnesty period until the public hearing on May 14
  - Kerri gave an example of the enforcement process
  - If approved, fees would go into effect immediately
    - Resolution 12. A RESOLUTION AMENDING SECTIONS 6, 8, 22, 41 AND 46 OF THE UTILITY SERVICE REGULATIONS

## **MOTION**

Moved by: Commissioner Congdon

Seconded by: Commissioner Smith

Move to approve Resolution 12 as presented

Approved: Unanimously

## **Resolutions 13 and 14**

- Mike Coleman, Managing Director of Fiber and Telecom, and Ray Hahne, Asset Management System Manager, presented Resolution 13
  - Mike noted that fiber records are currently maintained on spreadsheets, which is a lengthy, manual process to determine what circuits are connected to a particular cable; this was a lessons learned from the Chelan Butte fire
  - ArcFM is an additional module on the GIS system that the District already uses; this moves us from a perpetual license to a small utility license at a cost-savings to the District
    - Resolution 13. A RESOLUTION DECLARING TELVENT USA LLC, OF WILMINGTON, DELAWARE AS THE SOLE SOURCE SUPPLIER OF THE ARCFM SOFTWARE SUITE FOR CUSTOMER UTILITIES MAPPING
- Ryan Roy, Energy Planning and Trading, presented Resolution 14
  - Software would help us optimize the operations of hydro projects along with provide forecasted modeling over 72-96 hours
    - Resolution 14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 18-008) WITH REGENTS OF THE UNIVERSITY OF COLORADO OF BOULDER, CO FOR SHORT-TERM HYDRAULIC PLANNING AND OPTIMIZATION SOFTWARE AND SUPPORT

## **MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

Move to approve Resolutions 13 and 14 as presented

Approved: Unanimously

## **Hydro Research Institute**

- Steve Wright, General Manager, noted support of this project is important as we meet with potential partners
- Kirk Hudson, Managing Director of Generation and Transmission, noted this will allow us to get started on incorporation of the Hydro Research Institute

## **MOTION**

Moved by: Commissioner Congdon

Seconded by: Commissioner Arseneault

Move to allocate an additional \$300,000 from unallocated 2018 Public Power Benefit funds to the Hydro Research project for the purpose of facilitating the formation of the Hydropower Research Institute with the objective of improving the operation of hydroelectric generating facilities

Approved: Unanimously

## **Follow Up on Delegation of Action Items**

- No action items from the 4/2/18 meeting

## **Commissioner Items**

- Steve Wright gave an update on the Joint Grant & Chelan PUD Board Meeting held on April 13
  - The group discussed how much change there is in the utility industry

**MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

Move to change the location of the May 14, 2018 Regular Board meeting afternoon Business Session to the Confluence Technology Center, 285 Technology Center Way, Wenatchee

Approved: Unanimously

**Delegation of Action Items**

- Shaun Seaman will update climate change forecasts for distribution loads to show comparison to a past baseline
- Jeff Smith will add the climate change forecast to the Tri-Commission meeting agenda
- Training will be developed for staff that have contact with those who have high density loads that may be trying to hide them


**Executive Session**


President Bolz convened an executive session at approximately 2:05pm to discuss with legal counsel agency enforcement actions, 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), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), and to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c) for approximately 30 minutes.


**Regular Session Reconvened at 2:35pm**

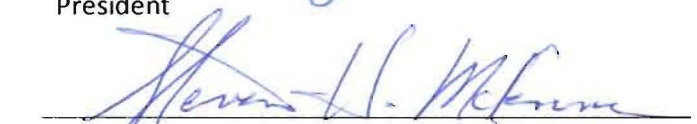
- President Bolz stated no votes were taken and no decisions were made

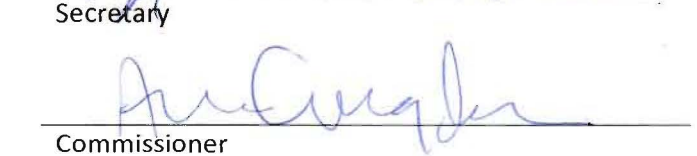
There being no other business, the meeting adjourned at 2:36pm.

  
 Vice President

  
 Commissioner

  
 President

  
 Secretary

  
 Commissioner