

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

April 30, 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 North Wenatchee Avenue, Wenatchee, Washington, on April 30<sup>th</sup> 2018, at the hour of 10:00 a.m., pursuant to proper notice thereof.

President Bolz called the meeting to order at 10:03 am. Commissioners present were Dennis Bolz, Steve McKenna, Ann Congdon and Randy Smith. Garry Arseneault participated via telephone during the afternoon Business Session. In attendance were General Manager Steve Wright, General Counsel Erik Wahlquist and Acting Clerk of the Board Teresa Boushay.

Various Staff were in attendance.

Court Hill, Project Manager II, led the Pledge of Allegiance and provided a safety minute on bicycle safety as May is bicycle safety month.

President Bolz presented the Agenda for approval. There was a recommendation that Resolution 9 be moved to the consent agenda; the agenda was approved as revised.

Quarterly District Performance Plan Update Q1– (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation). General Manager Steve Wright introduced the first quarter progress on 256 projects, of which 83% are on track. The managing directors reported on their initiatives that are lagging; the majority are affected by resources re-directed to the High Density Load work.

Quarterly Energy Resources Update Q1 – (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation). Janet Jaspers, Manager Energy Planning and Trading, and Andrew Grassell, Manager Energy Development/Conservation gave an update on the first quarter changes to the District's power sales portfolio, Operations and Planning, the current market and energy efficiency efforts. Highlights include the monthly riverflows at 113% of average and water supply at 121% of normal, the current wholesale prices are slightly lower than projected and conservation targets are on track and goals should be reached well before the end of the year.

Broadband Long Range Technology Plan – (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation). Mike Coleman, Managing Director of Fiber & Telecom, and Bob Shane, Director of Network Operations, shared a strategic look at integrating technologies and then assessing needs for the District's broadband work plan to achieve the greatest asset benefit.

Peshastin Wastewater Treatment Facility Improvement Project– (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation). Ron Slabaugh, Water/Wastewater Manager, and David Lodge, Project Manager, presented a status update including partial grant funding with Department of Ecology (DoE), and project changes and budget adjustments due to peer utilities best practice recommendations. Project is on track to meet DoE deadline of March 1, 2020.

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Mangers items included:

- Jeff Smith, Managing Director – District Services, and Bill Christman, Chief Engineer-Dam Safety and Natural Resources: Current status and plans regarding a section of unstable slope in the Chelan Gorge approx. 750 feet from the Gorge Road. This movement is a natural phenomina and is a new area of concern near another area that has been monitored for more than 25 years without much activity. Warning signs have been put up in the area, and emergency action plan in under development and staff has reached out to state and federal agencies, stakeholders and tribes to advise them of the situation
- Jeff Smith, Managing Director – District Services, and Rich Hyatt, Director-Security Division: Approach to bitcoin operators: Includes enhanced security measures at District facilities and training for staff members on topics such as hostile intruder and techniques for dealing with irate customers.

The meeting recessed at 12:02 p.m. and reconvened at 1:04 p.m.

President Bolz presented the consent agenda, which consisted of the minutes of the April 12, 2018 Strategy Partners Meeting and the April 16, 2018 Regular Meeting, Resolution 9 as well as the following:

The Auditor's memorandum dated April 25, 2018 supporting documentation and 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 describes as follows were presented for approval:

Accounts Payable Summary Report dated April 25, 2018:

1. Vouchers totaling \$10,955,912.73;
2. Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 11, 2018 through April 24, 2018 in the amount of \$15,108.36;
3. Approval of the net Payrolls, Warrant Nos. 235912 through 235938 and Advice Nos. 651805 through 652576 for the pay period ending 04/15/2018 in the amount of \$1,991,735.71; and
4. Approval of Warrant Nos. 24360 through 24412 totaling \$13,961.88 for claim payments from the workers' compensation self-insurance fund for the period ending April 23, 2018.

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A  
SUBSTITUTE CREDIT FACILITY RELATING TO THE DISTRICT'S  
OUTSTANDING CONSOLIDATED SYSTEM REVENUE BONDS, REFUNDING

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### SERIES 2008B (NON-AMT); APPROVING FORMS OF CERTAIN DOCUMENTS; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO

A motion was made by Commissioner McKenna, seconded by Commissioner Smith and passed adopting the Consent Agenda, consisting of the minutes of the April 12 and April 16 meetings and the above listed vouchers and resolution, which is on file in the office of the District.

#### Continuation of Manager's items from the morning session:

- Jeff Smith, Managing Director – District Services, and Tyler Sellars, Project Manager: Rock Island storage building foundation: 20,000 sq.ft. single-slab, concrete pour on Thursday April 26. Project started at 3:15 am and included 72 truckloads. This is the first building underway as part of the long-range facilities plan.
- Lorna Klemanski, Managing Director-Human Resources and Safety: Careers afterschool event on April 17 for approximately 24 students interested in graphic design. The event was organized by Debbie Gallaher; while Tonya Doughtey and Thad Hunt presented the information.
- Steve Wright gave a brief update from the Annual Lake Roosevelt Forum held last week regarding the Columbia River Treaty. The State Department was involved and informed that there will not be a seat at the table for tribes during the pending re-negotiation talks. It is still unclear exactly how stakeholders will be kept informed and engaged during the process.

#### Under Commissioner's items:

- President Bolz proposed a group workshop to review Commissioner McKenna's response to the Board's strategic plan. Group discussed the best time and agreed on May 14<sup>th</sup> before the regular meeting.

Motion: Commissioner Smith moved to change the start time of the May 14<sup>th</sup> meeting to 9:15am, Commissioner Congdon 2<sup>nd</sup> the motion

- President Bolz addressed a meeting request from patron Mike Martini to meet individually with the Board. Commissioner Smith will represent the members of the Board and meet to listen to his concerns and issues. Commissioner Bolz will inform him of this approach.
- Commissioner Smith is currently hosting delegation from Kyrgyzstan. He expressed his appreciation to Bob Bauer for a tour of RR, President Bolz for accompanying the group and Mike Coleman for hosting one member of the delegation in his home.
- Commissioner McKenna will be visiting the Skaha hatchery on Wednesday, May 2

Lisa Sanders, Finance Administrative Assistant, reviewed the Commissioner's 2018 travel schedule and commitments.

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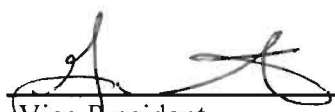
General Manager Steve Wright followed-up on Delegation of Action Items from Previous Board Meetings and reviewed the list of Action Items from this meeting.

President Bolz convened an executive session at approximately 1:40 p.m. 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); and 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 the likely increase in price pursuant to rcw 42.30.110(1)(b).

Reconvening the meeting into regular session at approximately 3:42 p.m. Commissioner McKenna stated no actions and no votes were taken.

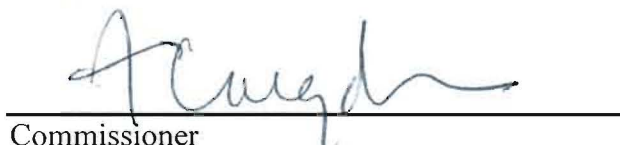
There being no other business, the meeting adjourned at 3:43 p.m.

  
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President

  
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Vice President

  
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Secretary

  
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Commissioner

  
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Commissioner