

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington May 14, 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 May 14, 2018, at the hour of 9:15 am, pursuant to proper notice thereof.

Commissioners present: Dennis Bolz, President
Garry Arseneault
Ann Congdon
Steve McKenna
Randy Smith

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

Others in attendance: James Kyle
Steve King, City of Wenatchee
Approximately 107 members of the public attended the Public Hearing

Call To Order

- President Bolz called the meeting to order at 9:17am

Pledge of Allegiance and Safety Minute

- Heather Irelan, Treasury Analyst Lead, led the pledge and provided a safety minute on watercraft safety

Agenda

- Resolution 15 was moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Recognition

(see www.chelanpud.org for presentation)

- Steve Wright, General Manager, recognized the April CPO Winners:
 - Emily Zimmerman, Control Systems Engineer III
 - Michael Martin, Control Systems Engineer IV
 - Adam Gormley, Control Systems Engineer Lead
 - Scott Hanson, Journeyman Mechanic
 - Ryan Mitchell, Mechanic Apprentice

Kyrgyzstan Petroglyphs

Commissioner Bolz noted the success of the recent Kyrgyzstan delegation visit and presented a gift from the delegation of Petroglyphs of Kyrgyzstan to Steve Wright, General Manager

2018 Integrated Resource Plan Progress Report

(see www.chelanpud.org for presentation)

- Janet Jaspers, Energy Planning and Trading Manager, and Becky Keating, Energy Planning Senior Analyst, reviewed the initial portfolio analysis results including the load forecast and renewables needed under the Renewal Portfolio Standard
- A second presentation to the Commissioners will be given on June 4 with the final presentation and hearing on June 25
- Comments may be left and additional details found at <http://www.chelanpud.org/environment/operating-responsibly/integrated-resource-plan>

Rocky Reach Discovery Center

(see www.chelanpud.org for presentation)

- Casey Hall, Project Manager, gave an overview of a potential update to the Rocky Reach Visitors Center along with a relocation and update to the Museum of the Columbia
- This is our primary point of contact with the public
- Proposal is to rebrand the Visitor Center to the Discovery Center and move the Museum of the Columbia out of the powerhouse; moving the museum allows us to improve safety and security
- An updated theme for the Discovery Center would be Big Things Happen Here - the Story of the PUD
- A new roof over the visitor center patio deck will provide a long-term solution to current leaks as well as an outdoor exhibit area

Rocky Reach and Lake Chelan Hydro Update

(see www.chelanpud.org for presentation)

- Dan Garrison, Director of Hydro Operations, reviewed accomplishments and upcoming work at Rocky Reach and Lake Chelan
- Timing constraints around the Lake Chelan Surge Tank project were reviewed as well as the work to be completed during the surge tank project
- Trunnion bushing wear was explained related to today's sole source resolution request

Quarterly Financial Review & Investment Report

(see www.chelanpud.org for presentation)

- Mark Mullins, Director of Strategic Financial Planning and Enterprise Risk Management, and Craig Kunz, Strategic Financial Planning Department Manager, reviewed first quarter financial and investment metrics
- Early forecasts are a little better than budget
- Long-term financial metrics policies are on track
- Recommend staying the course with our strategic goals: reinvest in assets and people, reduce debt, and continue public power benefit program

Quarterly Major Projects, Contracts, and Projects Revisions Update

(see www.chelanpud.org for presentation)

- Felicity Saberhagen, Business Advisor, reviewed changes in the last quarter to major project timelines, contracts negotiated, and project budget revisions

Public Power Benefit Program

(see www.chelanpud.org for presentation)

- Felicity Saberhagen, Business Advisor, gave an update on the program use since launch and funding
- Finalized funding for 2018 and approval for 2019 projects will be considered at the June 4 Board meeting
- A splash pad may be considered for early action credits related to Rock Island relicensing
- The District continues to look for a reservation system for Beebe park

Update to Rock Island Powerhouse 2 Rehab

(see www.chelanpud.org for presentation)

- Brett Bickford, Director of Engineering and Project Management, and John Sagerser, Engineering and Project Management Manager, gave an update on Rock Island Powerhouse 2 Rehab project
- Changes to the project include engaging manufacturers in defining scope and technical requirements, considering alternative procurement methods, and schedule comparisons
- Alternative procurement methods will be further researched and any recommendation brought back to Commissioners for approval; this is a paradigm shift for us, allowing us to focus on the least cost for the life of the asset

Consent Agenda

- President Bolz presented the consent agenda which included the following items:
 - Minutes of the April 16, 2018 Regular Meeting
 - Vouchers: Accounts Payable Summary Report dated May 9, 2018:
 - Vouchers totaling \$6,363,173.19;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 25, 2018 through May 8, 2018 in the amount of \$22,026.92;
 - Approval of the net Payrolls, Warrant Nos. 235939 through 235968 and Advice Nos. 652577 through 653351 for the pay period ending 04/29/2018 in the amount of \$1,984,527.71; and
 - Approval of Warrant Nos. 24413 through 24455 totaling \$18,270.90 for claim payments from the workers' compensation self-insurance fund for the period ending May 7, 2018.
 - Resolution 14. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 7 AND AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 15-21 WITH REEL COH INC OF BOISBRIAND QUEBEC CANADA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
 - Resolution 15. A RESOLUTION DECLARING VOITH HYDRO, INC. OF YORK, PENNSYLVANIA AS THE SOLE SOURCE SUPPLIER FOR BLADE TRUNNION SEALS, SEAL COVERS, AND BLADE BUSHINGS, NECESSARY TO REPAIR ROCKY REACH UNIT C1 AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH VOITH HYDRO, INC. FOR THE PURCHASE OF SAID EQUIPMENT

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To approve the consent agenda as revised

Approved: Unanimously

Peshastin Wastewater Treatment Facility Improvements

- Steve Wright, General Manager, presented a budget revision for the Peshastin Wastewater Treatment Facility Improvements

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Arseneault

To increase the project budget for the Peshastin Wastewater Treatment Facility Improvements project from \$2,000,000 to \$4,100,000

Approved: Unanimously

Manager Items

- Steve Wright, General Manager, noted that Commissioner participation in the update of the Rocky Reach Discovery Center museum story would be welcome and encouraged

Commissioner Items

- Commissioner Arseneault noted that Representative Mary Dye spoke at the recent WPUA Telecom meeting; she invited us to collaborate with her to better understand rural broadband
- Commissioner McKenna expressed appreciation to Ian Adams, Hatchery Maintenance and Operations Coordinator, for escorting him on a tour of Skaha Hatchery

Follow Up on Delegation of Action Items from the April 30, 2018 Board Meeting

- Janet Jaspers responded by email on 5/1/8 regarding flood risk in parks, management of total dissolved gases, and additional information on the District's water supply forecast
- Erik Wahlquist will share lessons learned on the Monitor LUD at one of the next two Board meetings

Delegation of Action Items

- Felicity Saberhagen will include information in the next presentation on the position for developmentally disabled candidates:
 - What agencies the PUD is partnering with
 - Choice to fund this from the Public Power Benefit Program

Recessed at 11:43am and Reconvened at 1:05pm at the Confluence Technology Center, 285 Technology Center Way, Wenatchee

Public Hearing – High Density Load Moratorium

(see www.chelanpud.org for presentation)

- Steve Wright, General Manager, gave opening remarks pointing back to the District's vision of improving the quality of life for residents in Chelan County
- Lindsey Mohns, Customer Utilities Business Manager, reviewed background, challenges, actions since the moratorium was adopted, and actions necessary to begin connecting new services
- Approximately two dozen members of the public provided comment
- Steve Wright provided closing remarks addressing a handful of points brought up during public comment

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

In order to allow enough time for the Commission and staff to finish planning related to virtual and crypto-currency loads move to:

- Maintain the moratorium previously adopted on March 19, 2018 and confirmed by Resolution No. 18-14234, based upon the factors set forth in the resolution and on staff presentation on May 14, 2018, pending the outcome of the Commission planning decisions; and
- Set a further public hearing for August 6, 2018

Executive Session

President Bolz convened an executive session at approximately 3:44pm 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 60 minutes.

Regular Session Reconvened at 4:35pm

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

MOTION

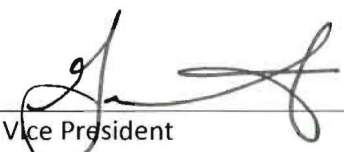
Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

Move to set a special meeting on June 4, 2018 at 9:15 am in the Headquarters Board Room for the purpose of holding a Board Workshop

Approved: Unanimously

There being no other business, the meeting adjourned at 4:41pm.



Vice President




Commissioner



President



Secretary



Commissioner