

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington June 25, 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 June 25, 2018, at the hour of 10:00 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: Guy Evans, Lake Chelan Trails Alliance
Mike Cooney, Chelan Mayor
Nevonne McDaniels, Wenatchee World

Call To Order

- President Bolz called the meeting to order at 10:02am

Pledge of Allegiance and Safety Minute

- Thad Hunt, Graphic Designer, led the pledge and provided a safety minute on concussions

Agenda

- Resolutions 10, 11, 12, and 13 were moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Award

(see www.chelanpud.org for presentation)

- Steve Wright, General Manager, recognized Griselda Gonzalez, Energy Resources and Conservation Representative, as the May CPO winner

Lower Reach One Trail

(see www.chelanpud.org for presentation)

- Jeff Smith, Managing Director District Services, Von Pope, Senior Wildlife Biologist, Mike Cooney, Chelan Mayor, and Guy Evans, Lake Chelan Trails Alliance, reviewed the upcoming project to expand the Lower Reach One trail
- The trail configuration was scaled back due to wildlife habitat concerns, but remains a good opportunity to extend the current trail

- This will be a permitted use of District property with conditions; this is a unique public-private partnership
- Background information on the project provided an overview of partner responsibilities

2018 – 2019 Insurance Program Renewal

(see www.chelanpud.org for presentations)

- Ron Gibbs, Insurance and Claims Manager, gave an update on the 2018-2019 Insurance Program Renewal
- The expected premium increase has fallen slightly since the last presentation

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To authorize expenditures by the District not to exceed \$2,245,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2018-2019 policies upon terms and conditions approved by the General Manager

Approved: Unanimously

Manager Items

(see www.chelanpud.org for presentations)

- Suzanne Hartman, Communications Manager, and Dorry Foster, YMCA Executive Director, shared information on the YSplash program
 - The YMCA provides about 900 swim lessons per year, the majority of which are free
 - This campaign supported the District message promoting safety around the water
 - Information on other community benefits of the YMCA was shared
- Kelly Boyd, Chief Financial and Risk Officer, and Heather Ireland, Treasury Analyst Lead, confirmed that the substitute Standby Bond Purchase Agreement for the variable rate bonds went into effect June 22, 2018
 - Substituting an updated agreement shortened the timeline by 6 weeks, saved 600 staff hours, and saved \$250,000 in legal and advisor fees
- Steve Wright, General Manager, noted that the payment due from Alcoa had been received
 - Kelly Boyd explained that the funds relate to the entire life of the contract, so will be recognized incrementally over the remaining 10 years of the contract term
- Erik Wahlquist, General Counsel, reported that the cryptocurrency rate definition is still in development and will be shared with the Board at the next meeting
- Brian Odell, Director Safety, Labor, and Organizational Development, and Tracy Yount, Director External Affairs, gave an update on the accident at Rock Island
 - They reviewed background, immediate actions, L&I investigation, and the internal investigation along with next steps; the District will use an outside firm to conduct the internal investigation

Resolution 9

(see www.chelanpud.org for presentation)

- Felicity Saberhagen, Business Advisor, presented Resolution 9 along with an overview of the funding specifications

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Smith

To approve Resolution 9 as presented

Approved: Unanimously

Consent Agenda

- President Bolz presented the consent agenda which included the following items:
 - Minutes of the June 4, 2018 Regular Meeting and June 5, 2018 Tri-Commission
 - Meeting Vouchers: Accounts Payable Summary Report dated June 20, 2018:
 - Vouchers totaling \$8,542,593.08;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 30, 2018 through June 19, 2018 in the amount of \$30,736.37;
 - Approval of the net Payrolls, Warrant Nos. 235994 through 236015 and Advice Nos. 654132 through 654914 for the pay period ending 05/27/2018 in the amount of \$2,046,869.81;
 - Approval of the net Payrolls, Warrant Nos. 236016 through 236037 and Advice Nos. 654915 through 655707 for the pay period ending 06/10/2018 in the amount of \$2,079,128.67; and
 - Approval of Warrant Nos. 24516 through 24571 totaling \$14,587.59 for claim payments from the workers' compensation self-insurance fund for the period ending June 18, 2018.
 - Resolution 10. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA NO. 16-060) WITH CLEARRESULT CONSULTING INC. TO PROVIDE ENERGY EFFICIENCY SERVICES
 - Resolution 11. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 16-056) WITH HDR ENGINEERING, INC. OF NEBRASKA TO PROVIDE PROFESSIONAL ENGINEERING SERVICES RELATED TO TRANSMISSION AND DISTRIBUTION ENGINEERING SUPPORT
 - Resolution 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA-TA NO. 10-230) WITH ERGONARE, INC. TO PROVIDE MAXIMO SOFTWARE CONSULTING AND SUPPORT
 - Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 FOR ADDITIONAL FUNDS TO SERVICES AGREEMENT (SA NO. 17-002) WITH SAPERE CONSULTING, INC. OF WALLA WALLA, WA FOR MANAGEMENT CONSULTING SERVICES

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To approve the consent agenda as revised

Approved: Unanimously

Commissioner Items

- Commissioner Smith expressed appreciation that APPA refunded all registration fees when travel was cancelled due to the accident at Rock Island
- Commissioner Bolz thanked Commissioner Congdon for attending the APPA conference last week on the District's behalf
- Commissioner Bolz noted that the District will not be represented at the July Energy Northwest Board meeting due to scheduling conflicts
- Commissioner McKenna expressed appreciation to staff during this difficult time
- Commissioner Arseneault noted that he'd received condolences from commissioners of other PUDs and offers to help; the PUDs across the state and nation really are a family

Follow Up on Delegation of Action Items from the June 4, 2018 Board Meeting

- Orondo River Park follow up items will be reported to the Board in late summer or early fall; this allows us to gather data from this park season and allows the Port time to further explore their obligations to the Recreation and Conservation Office

Delegation of Action Items

- No Action Items Delegated

Recessed at 11:20am and Reconvened at 1:03pm

Recognition

- Commissioners recognized Jeff Smith, Managing Director District Services, for his contributions to the Commission and the PUD over his 30-year career

Executive Session

President Bolz convened an executive session at approximately 1:30pm 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 2:30pm

- President Bolz extended the Executive Session an additional 15 minutes

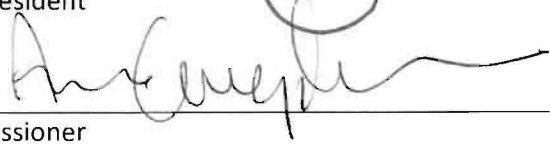
Regular Session Reconvened at 2:48pm

- President Bolz stated no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting adjourned at 2:48pm.

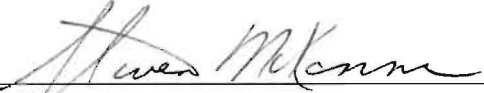


Vice President




Commissioner

President



Secretary



Commissioner