

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

June 26, 2017

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 June 26, 2017, at the hour of 10:00 a.m., pursuant to proper notice thereof.

Commissioners present were Garry Arseneault, Dennis Bolz, Ann Congdon and Steve McKenna. Commissioner Smith was excused. In attendance were General Manager Steve Wright, General Counsel Erik Wahlquist and Acting Clerk of the Board Lisa Sanders.

Various Staff were also in attendance.

Others in attendance: Jack and Nadine Pusel

Janel Ulrich, Generation Asset Program Manager, led the Pledge of Allegiance and provided a safety minute.

Vice President Garry Arseneault presented the Agenda for approval. Resolutions 10 and 12 were moved to the consent agenda. The agenda was approved as revised.

Rock Island Storage Building – (See www.chelanpud.org for the presentation) Commissioners heard about plans for a new Rock Island storage building. Objectives include:

1. Build a climate controlled storage building on the hill above Powerhouse 2;
2. Create safer work areas by reducing congestion in both powerhouses;
3. Reduce risk of damage to critical replacement parts;
4. Improve the water supply system to meet current fire codes; and
5. Consistent with the Strategic Facilities Plan.

This project will include the storage building as well as a fire protection system.

Business Lines Financial Policies – Retail Electric – (See www.chelanpud.org for the presentation) Started discussions on long-term financial guidance for the PUD's electric division for planning and forecasting purposes after 2019, when the current strategic plan ends. Discussion will continue at the next meeting, July 10.

Board Delegation – (See www.chelanpud.org for the presentation) Commissioners considered a concept related to delegating procurement and contracting authority to staff. The goal is to ensure compliance and increase efficiency. Goals include:

1. Simplify and reduce transactional distinctions;
2. Delegate administratively to the General Manager;
3. Create a clear process for re-delegation and tracking; and
4. Consider delegation of routine contract acceptance.

The meeting recessed at 11:55 a.m., and reconvened at 1:00 p.m.

A motion was made by Commissioner Bolz, seconded by Commissioner Congdon and passed adopting Proclamation No. 1 declaring Thursday, June 29, 2017 “Julio Cruz Day” at Chelan PUD, which is on file in the offices of the District.

The speedy second baseman for the Seattle Mariners in the late 1970s and early ‘80s will throw out the first pitch at PUD Night at the AppleSox on Thursday after spending the day helping with a youth baseball clinic, meeting community leaders and spending time on the field pre-game with AppleSox players. “The Cruz” held the team’s career record of 290 stolen bases for 25 years until Ichiro broke it in 2008. Julio was inducted into the Hispanic Heritage Baseball Museum Hall of Fame in September 2004. He’s now a commentator on the Mariner’s Spanish-language broadcasts.

Rocky Reach Visitor Center Recognition – Honored long-time Visitor Center and community volunteer Jack Pusel of Monitor. The great-grandson of Monitor pioneers, Jack and his wife, Nadine, moved to the area after he retired. He got involved in the community, serving on the Monitor Community Council and becoming Rocky Reach Visitor Center’s first regular volunteer. In 11 years, he has led hundreds of dam tours and taught “the wonder of hydropower” to thousands of students. He and his wife also portrayed his grandparents in the living history program, “People of Our Past.”

Vice President Arseneault presented the consent agenda which consisted of the minutes of June 5, 2017 regular meeting.

The Auditor’s memorandum dated June 21, 2017 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 June 20, 2017:

1. Vouchers totaling \$13,356,281.84;
2. Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 31, 2017 through June 20, 2017 in the amount of \$17,827.78;
3. Approval of the net Payrolls, Warrant Nos. 235241 through 235271 and Advice Nos. 634444 through 635204 for the pay period ending 5/28/2017 in the amount of \$1,800,983.55;
4. Approval of the net Payrolls, Warrant Nos. 235272 through 235300 and Advice Nos. 635205 through 635973 for the pay period ending 6/11/2017 in the amount of \$1,853,297.29; and

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5. Approval of Warrant Nos. 23475 through 23526 totaling \$11,639.30 for claim payments from the workers' compensation self-insurance fund for the period ending June 19, 2017.

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 3-03, 3-04 AND 3-06 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3-05 TO CONTRACT NO. 04-01 PART B FOR THE ROCK ISLAND B5-510 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.

A RESOLUTION APPROVING THE ISSUANCE OF A REQUEST FOR PROPOSAL FOR UNIFORMED DISTRICT SECURITY SERVICES AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

A motion was made by Commissioner McKenna, seconded by Commissioner Congdon and passed adopting the Consent Agenda, consisting of the minutes of the June 5, 2017 regular meeting, the above listed vouchers and Resolution Nos. 17-14148 and 17-14149, which are on file in the offices of the District.

Commissioners considered the following resolutions:

A RESOLUTION RATIFYING AND CONFIRMING DECLARATION OF AN EMERGENCY AND AUTHORIZING THE GENERAL MANAGER TO TAKE ALL STEPS REASONABLE AND NECESSARY FOR REPAIRS TO THE ROCK ISLAND SPILLWAY GANTRY HOIST MOTORS

A RESOLUTION APPROVING BIDDING DOCUMENTS (BID NO. 17-53) FOR ROCK ISLAND POWERHOUSE 2 STORAGE BUILDING AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 16-175) WITH CACHE VALLEY ELECTRIC COMPANY OF TIGARD, OR FOR CCTV CAMERA SYSTEM REPLACEMENT AND SUPPORT

A RESOLUTION SELECTING AND AUTHORIZING IMPLEMENTATION OF THE 2017 AND 2018 PUBLIC POWER BENEFIT PROGRAM OPTIONS AND RELATED BUDGET ITEM

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A RESOLUTION AMENDING THE ELECTRIC LINE EXTENSION POLICY, THE WATER AND WASTEWATER LINE EXTENSION POLICY, AND THE TELECOM SERVICE INSTALLATION POLICY PORTIONS OF THE DISTRICT'S UTILITY SERVICE POLICIES

A RESOLUTION AMENDING SECTIONS 10, 19, 27, 40 AND 41 OF THE UTILITY SERVICE REGULATIONS

A motion was made by Commissioner Bolz, seconded by Commissioner Congdon and carried approving Resolution Nos. 17-14150 through 17-14154, which are on file in the office of the District.

Insurance Policy Renewal – Ron Gibbs, insurance and claims manager, said a favorable insurance market and minimal claims history allowed the PUD to increase general liability coverage by \$25 million while lowering premiums an estimated 5.5 percent.

A motion was made by Commissioner Congdon, seconded by Commissioner Bolz and passed to authorize expenditures by the District not to exceed \$2,120,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2017-2018 policies upon terms and conditions approved by the General Manager.

General Manager Steve Wright followed-up on Delegation of Action Items from Previous Board Meeting.

Vice President Arseneault convened an executive session at 2:00 p.m. following a 5-minute break 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 review the performance of a public employee, as authorized by RCW 42.30.110(1)(g), 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 a likelihood of increased price, as authorized by RCW 42.30.110(1)(b) for approximately 60 minutes.

Reconvening the meeting into regular session at 3:00 p.m., Vice President Arseneault stated no actions and no votes were taken.

Vice President Arseneault noted the next meeting will be held on July 10, 2017.

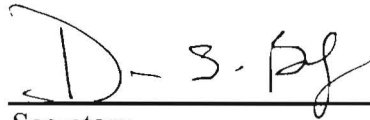
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There being no other business, the meeting adjourned at 3:00 p.m.


President



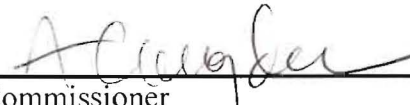
Secretary



Vice President



Commissioner



Commissioner

A PROCLAMATION DECLARING THURSDAY, JUNE 29,
2017 JULIO CRUZ DAY AT CHELAN PUD.

FACTUAL BACKGROUND AND REASONS FOR ACTION

Julio Cruz, the speedy Seattle Mariner second baseman from 1977 – 1983 and now Seattle Mariner Spanish-station radio broadcaster, is coming to Wenatchee, WA on Thurs., June 29th to be part of Chelan PUD Night at the Wenatchee AppleSox game. In fact, he will throw out the first pitch for the game.

Julio was born in Brooklyn, New York and went to college at San Bernardino Valley College and entered the major league farm system with the California Angeles. His Major League debut was with the Seattle Mariners on July 4, 1977.

Known for his great speed, Julio held the Seattle Mariner career stolen base record of 290 (averaging more than 40 stolen bases per year), until that record was broken in 2008 by Ichiro. Cruz (or, The Cruiser, or Juice as he was known), had 343 career stolen bases.

Julio has been an inspiration and mentor to many young ball players, especially within the Hispanic Community and will spend time on Thurs. June 29th with Wenatchee-area kids to talk about baseball . . . and probably how to a steal base.

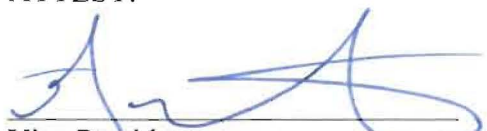
Both the City of Wenatchee and Chelan County have declared THURSDAY, JUNE 29TH JULIO CRUZ DAY.

ACTION

IT IS PROCLAIMED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The Chelan PUD Commissioners, in recognition of Chelan PUD Night at the Wenatchee AppleSox, declare THURSDAY, JUNE 29, 2017, JULIO CRUZ DAY AT THE PUD urging customer-owners and PUD employees to join Julio at the Paul Thomas Ballpark before 7:05 p.m. to join the festivities.

ATTEST:




Vice President



Commissioner

Seal

President



Secretary



Commissioner