

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

July 10, 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 July 10, 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: Scott Bradshaw, Debbie West and Mike Irwin (Wenatchee World).

Mario Cantu, Education/Community Engagement Coordinator, led the Pledge of Allegiance and provided a safety minute.

Vice President Garry Arseneault presented the Agenda for approval. The agenda was approved as presented.

Leavenworth Substation Recommendations – (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation) John Stoll, Managing Director - Customer Utilities, and Gary Rice, Project Manager II, reviewed results of a feasibility report that points to PUD-owned property on Chumstick Road as the site for a new substation in Leavenworth that will offer customers the most reliable and cost-effective service to meet the community's future power needs. Community members are invited to hear the study results that led to the recommendation of the Chumstick site as the PUD's preferred alternative at Tuesday's Leavenworth City Council meeting, 6:30 p.m. at City Hall, 700 Hwy 2.

Business Lines Financial Policies – Retail Electric Continued – (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation) Kelly Boyd, chief financial/risk officer, and Mark O'Bryan, Director-Strategic Financial Planning/BI continued discussions on long-term financial guidance for the PUD's retail electric division to use for planning and forecasting after 2019, when the current strategic plan ends. Boyd said updating the guidance would:

- Enable early recognition and modest rate steps over time, if needed
- Creates the opportunity to put in place smaller rate changes through time and avoid large rate changes as customers said they prefer
- Makes clear the total cost of service for retail electric customers

Boyd said the amount of District revenue needed to support retail electric operations is increasing, while District revenue is forecast to decrease due in part to declining wholesale market prices for power. Chelan PUD uses revenue from market sales to keep electric rates low for customer-owners. Board members will be asked to confirm guidance on long-term revenue planning and related metrics at the July 24 meeting.

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

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

Vice President Arseneault presented the consent agenda which consisted of the minutes of June 26, 2017 regular meeting.

The Auditor's memorandum dated July 5, 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 July 5, 2017:

1. Vouchers totaling \$51,956,035.54;
2. Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 21, 2017 through July 4, 2017 in the amount of \$25,218.33;
3. Approval of the net Payrolls, Warrant Nos. 235301 through 235389 and Advice Nos. 635974 through 636738 for the pay period ending 6/25/2017 in the amount of \$2,008,519.31; and
4. Approval of Warrant Nos. 23527 through 23551 totaling \$2,394.67 for claim payments from the workers' compensation self-insurance fund for the period ending June 26, 2017.

A motion was made by Commissioner Bolz, seconded by Commissioner Congdon and passed adopting the Consent Agenda, consisting of the minutes of the June 26, 2017 regular meeting, the above listed vouchers, which are on file in the offices of the District.

Vice President Arseneault convened an executive session at 1:00 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), 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 2:00 p.m., Vice President Arseneault stated no actions and no votes were taken.

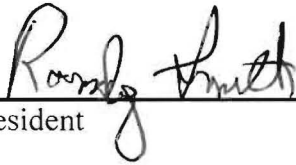
Vice President Arseneault noted the next meeting will be held on July 24, 2017.

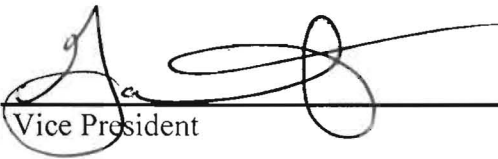
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There being no other business, the meeting adjourned at 2:00 p.m.

  
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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