

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

September 5, 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 September 5, 2017, at the hour of 1:00 p.m., pursuant to proper notice thereof.

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

Various Staff were also in attendance.

Others in attendance: Mike Kaputa and Hillary Heard (Chelan County Dept. of Natural Resources), and Dan Haller (Aspect Consulting, LLC)

Jess Haag, Technician, led the Pledge of Allegiance and provided a safety minute.

President Randy Smith presented the Agenda for approval. Resolution 6 was moved to the consent agenda. The agenda was approved as revised.

President Smith presented the consent agenda which consisted of the minutes of August 21, 2017 regular meeting.

The Auditor's memorandum dated August 30, 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 August 30, 2017:

1. Vouchers totaling \$8,038,816.55;
2. Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 16, 2017 through August 29, 2017 in the amount of \$58,685.52;
3. Approval of the net Payrolls, Warrant Nos. 235478 through 235505 and Advice Nos. 639040 through 639805 for the pay period ending 8/20/2017 in the amount of \$1,838,668.72; and
4. Approval of Warrant Nos. 23701 through 23744 totaling \$11,486.42 for claim payments from the workers' compensation self-insurance fund for the period ending August 28,

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2017.

RESOLUTION NO. 17-14173 AUTHORIZING AMENDMENT NO. 1 TO TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 17-028) WITH COFFMAN ENGINEERS, INC. OF SEATTLE, WASHINGTON TO PROVIDE ELECTRICAL ENGINEERING FOR PHYSICAL SECURITY CONTROLS

A motion was made by Commissioner Bolz, seconded by Commissioner McKenna and passed adopting the Consent Agenda, consisting of the minutes of the August 21, 2017 regular meeting, the above listed vouchers and Resolution No. 17-14173 which is on file in the offices of the District.

Commissioners considered the following resolutions:

RESOLUTION NO. 17-14172 APPROVING FIRST AMENDMENT TO AGREEMENT CONCERNING WATER RIGHT CERTIFICATE NO. 319 AND A MEMORANDUM OF UNDERSTANDING RELATED TO WATER RIGHT ALLOCATIONS FROM LAKE CHELAN AND RESERVE ACCOUNTING BETWEEN DISTRICT AND STATE OF WASHINGTON DEPARTMENT OF ECOLOGY AND AUTHORIZING EXECUTION THEREOF BY THE GENERAL MANAGER

A motion was made by Commissioner Congdon, seconded by Commissioner McKenna and passed to adopt Resolution No. 17-14172 which is on file in the office of the District.

Commissioner Congdon thanked PUD staff Marcie Clement, Michelle Smith and Karen Wiggum for their work on the agreement stating that it was an important step to move the process forward and to ensure an annual accounting for the Lake Chelan Water Reserve.

RESOLUTION NO. 17-14174 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 17-134) WITH OPEN ACCESS TECHNOLOGY INTERNATIONAL, INC. (OATI) OF MINNEAPOLIS, MINNESOTA FOR ENERGY ACCOUNTING SOFTWARE

RESOLUTION NO. 17-14175 RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 7 TO CONTRACT 15-65 WITH K&N ELECTRIC MOTORS, INC OF SPOKANE VALLEY, WA FOR THE ROCKY REACH DAM POWERHOUSE BRIDGE CRANES REFURBISHMENT

A motion was made by Commissioner McKenna, seconded by Commissioner Congdon and passed to adopt Resolutions Nos. 17-14174 and 17-14175, which are on file in the office of the District.

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B1-B4 Risk Assessment - (See www.chelanpud.org for the presentation) Brett Bickford, Director of Engineering and Project Management, and Dan Garrison, Director of Hydro Operations, provided an update about the risk assessment related to Rock Island B1 – B4 modernization project. In December 2016, commissioners approved moving forward on the simultaneous modernization in order to create greater efficiency, save costs, finish work earlier and meet the 2020 Habitat Conservation Plan check-in. Thirty-three potential risks were identified and assessed with the help of an outside consultant. The analysis concluded that risks have been identified and mitigation measures are in the process of being implemented prior to proceeding with the field work scheduled to begin in 2018. Two additional operators will be hired in the fall of 2017 to ensure an adequate workforce availability. The next update to commissioners will be in the Spring of 2018.

General Manager Steve Wright provided an update on California Renewables and potential legislative action against NW Hydro power which appears to be removed from the bill; information that he is scheduled to testify on power and reliability issues in front of the House sub-committee on Energy in Washington DC September 12 on behalf of the National Hydropower Association (NHA); and speaking at the NW Power and Conservation Council in Spokane on September 13.

Under Commissioner's items, Commissioner Bolz mentioned the upcoming WPUA Association meeting Sept 13-15 at Douglas County PUD. He suggested a donation from he and the fellow Commissioners to be made to the silent auction. President Smith requested minutes from the most recent Board Workshop be sent to the Board in preparation for the upcoming Fall Workshop scheduled on September 19.

Lisa Sanders, Finance Administrative Assistant, presented an update on Commissioner Travel.

General Manager Steve Wright followed-up on Delegation of Action Items from Previous Board Meeting and reviewed action items from this meeting.

President Smith convened an executive session at approximately 2:30 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) 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 1 hour and 10 minutes.

Reconvening the meeting into regular session at approximately 3:40 p.m., President Smith stated no actions and no votes were taken.

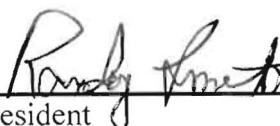
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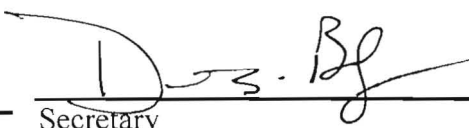
Following a 5-minute break, a motion was made by Commissioner Congdon, seconded by Commissioner Bolz and passed to Change the location of the special meeting set to begin at 9:00 am Tuesday Sept 19, 2017, from the CTC to District Headquarter Board Room, 327 N. Wenatchee Ave.; and to set a special meeting to begin at 1:00 pm Tuesday Sept 19, 2017, at the CTC, 285 Technology Center Way, for the purpose of a Board Workshop.

There being no other business, the meeting adjourned at 3:50 p.m.




President

Vice President



Secretary



Commissioner



Commissioner