

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington January 21, 2019

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 January 21, 2019, at the hour of 10:00 am, pursuant to proper notice thereof.

**Commissioners present:** Garry Arseneault, President  
Dennis Bolz  
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:** None

## **Call To Order**

- President Arseneault called the meeting to order at 10:08am

## **Pledge of Allegiance and Safety Minute**

- Jay Fintz, Energy Planning Senior Operations Analyst, led the pledge and provided a safety minute on sleep

## **Cycle of Personal Ownership (CPO) Recognition**

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized the December CPO winner Lindsey Mohns, Customer Utilities Business Manager

## **Agenda**

- Resolutions 13 and 14 were moved to the consent agenda; the agenda was approved as revised

## **Rate Schedule 4 Update**

(see Chelan PUD website for presentation)

- Lindsey Mohns, Customer Utilities Business Manager, gave an overview of proposed revisions to Rate Schedule 4 and the proposed outreach plan
- This is for large customers over 5 average MW (other than cryptocurrency)
- A stream flow risk charge will be contemplated at a later date

## **MOTION**

Moved by: Commissioner Congdon

Seconded by: Commissioner Smith

To set the rate outreach plan and date of public hearing as proposed by staff in the presentation  
(February 4, 2019)

Approved: Unanimously

## **Quarterly Board Balanced Scorecard Update**

- Commissioners reviewed metrics; no new exceptions were noted

## **Lake Chelan Regional Area Planning**

- John Stoll, Managing Director of Customer Utilities, and Andy Wendell, Director of Customer Service, reviewed Chelan infrastructure challenges and future plans to address them
- John noted a recent tour of the area and that we're applying lessons learned when planning for new infrastructure
  - We heard from customer-owners that they'd like to be informed early and often
- Chelan energy use growth is 3-5 times higher than other areas in the county over the last 3 years
- Forecasts show the need to build a new substation south of Chelan by 2024 to maintain reliable service and have power available for new and existing customers
- Community outreach is expected in the spring with feedback to Commissioners this summer

## **Utility Service Regulation and Policy Change Recommendations**

- Cathy Melton, Customer Service Program Analyst, reviewed proposed changes to utility service policy and regulations

## **Manager Items**

- Tracy Yount, Director of External Affairs, introduced Neil Neroutsos, Communications Manager; Neil brings a great deal of applicable experience
- Neil Neroutsos, Communications Manager, announced that Friday, January 25 is PUD Night at the Wenatchee Wild game
- Justin Erickson, Managing Director of District Services, noted strategic planning presentations have been given in Cashmere, Entiat, Leavenworth, and Peshastin
  - The presentation will be reviewed in Chelan and Wenatchee this week
  - Strategic planning will kick off at the February 7 launch meeting
  - The strategic planning context document and other materials will be provided in Spanish
- Brian Lowe, Distribution Substations Superintendent, reported on substation landscaping improvements
  - Moving toward native plants and reducing fire hazards
  - Customer-owners are encouraged to give feedback and suggestions on landscaping
- Ron Slabaugh, Water and Wastewater Manager, and Ingrid Miller, Debt Compliance Program Manager, gave an update on funding for the Peshastin Wastewater facility
  - After cost increases were realized on the project last year, we applied for additional funding through the Department of Ecology
  - Out of 139 applications, our project ranked second with a draft offer of \$400k in additional grant funding and \$700k in additional low-interest loan; we anticipate receiving the final offer in June or July
- Steve Wright, General Manager
  - WPUDA recently saw a PGP presentation of work done with E3; we've arranged with the E3 principal to present at our February 19 board meeting
  - The announced bankruptcy of Pacific Gas & Electric has made headlines recently
    - There is potentially more risk in this area including financial, to management, and to board members

- We have completed our fire hardening risk assessment and are planning work on lines in Chelan and Plain this year
- WPUA is working with the legislature in fire liability issues; Steve recognized that Erik Wahlquist, General Counsel, has done a tremendous amount of work on this issue

#### **Follow Up on Delegation of Action Items from the 1/7/19 Board Meeting**

- Andy Wendell and Chad Rissman will provide an update on substation landscaping and beautification to include College, Mission, and Cashmere substations – reported today by Brian Lowe
- Justin Erickson (Michelle Smith) will give an update on Orondo Park, including Douglas Port spending priorities – this will come back in the spring
- Katie Marshall will provide a status report on the progress of the NESC contracted survey and engineering services in support of fiber expansion after Q1 progress is measured – expect report after Q1
- Kelly Boyd will follow up with potential Board dashboard options later in the year – tentatively plan to cover this at the Board Workshop
- Justin Erickson (Alene Underwood) will provide information on Lamprey protection and requirements at Tumwater Dam – emailed today
- John Stoll (Ron Slabaugh) will update Commissioners on the Olalla Canyon spring issue – emailed 1/16/19

#### **Commission Items**

- Commissioner Smith was at WPUA last week and noted the great showcase of Chelan PUD talent with presentations by Erik Wahlquist and Commissioner Bolz
  - In the last 2 years there have been 26 new PUD Commissioners elected in the State
  - Commissioner Smith expressed concern over a proposed action from the Public Disclosure Commission
    - Currently records requests are handled individually and must include the requester's name; the PDC is considering posting all information, including financial reports, on the web
- Commissioner Bolz noted that WPUA is planning to recognize Homer T. Bone at their headquarters building, pending permission from his family

#### **Recessed at 12:03pm and Reconvened at 1:03pm**

#### **Consent Agenda**

(see Chelan PUD website for resolutions)

- President Arseneault presented the consent agenda which included the following items:
  - Minutes of the January 7, 2019 Regular Meeting
  - Vouchers: Accounts Payable Summary Report dated January 16, 2019:
    - Vouchers totaling \$22,144,982.14;
    - Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 2, 2019 through January 15, 2019 in the amount of \$13,663.76;
    - Approval of the net Payroll, Warrant Nos. 236332 through 236354 and Advice Nos. 666680 through 667418 for the pay period ending 01/06/2019 in the amount of \$1,922,601.57;
    - Approval of Warrant Nos. 25213 through 25256 totaling \$5,289.08 for claim payments from the workers' compensation self-insurance fund for the period ending January 14, 2019.
  - Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-75 WITH KEMP WEST, INC. OF SNOHOMISH WASHINGTON AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE



- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-34 WITH CENTRAL WASHINGTON ASPHALT, INC. OF MOSES LAKE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 13. A RESOLUTION REJECTING THE BID OF ANIXTER, INC., SCHEDULE "B," AND ACCEPTING THE BID OF WESCO DISTRIBUTION, SCHEDULES A, B AND C, OF PORTLAND, OREGON (BID 18-77) FOR THE SUPPLY OF DISTRIBUTION CABLE AND CONDUCTOR
- Resolution 14. A RESOLUTION APPROVING BIDDING DOCUMENTS FOR ROCK ISLAND POWERHOUSE 2 BRIDGE AND GANTRY CRANES REFURBISHMENT (BID NO. 18-81) AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

**MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To accept the consent agenda as revised to include Resolutions 13 and 14

Approved: Unanimously

**Resolution 12**

(see Chelan PUD website for resolution)

- Brett Bickford, Director Engineering & Project Management, presented Resolution 12
- Replacement of damaged trash rack cleaner with design improvements
- Resolution 12. A RESOLUTION DECLARING MUHR OF BRANNENBURG, GERMANY AS THE SOLE SOURCE SUPPLIER OF TRASH RACK CLEANER HEAD (HYDRAULIC CYLINDERS INCLUDED) AND MODIFIED HYDRAULIC HOSE DRUM FOR ROCK ISLAND POWERHOUSE 2 TRASH RACK CLEANING MACHINE

**Resolution 15**

(see Chelan PUD website for resolution)

- Brett Bickford, Director Engineering & Project Management, presented Resolution 15
- Extension of contract to include Powerhouse 2 cranes and hoist
- Resolution 15. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 18-167) WITH EUREKA! ENGINEERING OF SILVERLAKE, WASHINGTON FOR CRANE AND HOIST CONSULTING SERVICES

**Resolution 16**

(see Chelan PUD website for resolution)

- Brett Bickford, Director Engineering & Project Management, and Tom Beebe, Project Manager, presented Resolution 16
- Reviewed items related to each field work order and change order
- Resolution 16. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-05, 2-06, 2-07, 2-08, 2-09, 2-10, 2-11, 2-12, AND APPROVING EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NOS. 3-01 AND 4-01, FOR THE SECOND THROUGH FOURTH UNITS UNDER CONTRACT NO. 14-22 WITH VOITH HYDRO, INC. OF YORK, PA FOR ROCKY REACH UNITS C-8 THROUGH C-11 TURBINE REPAIRS

**MOTION**

Moved by: Commissioner Bolz

Seconded by: Commissioner McKenna

To approve Resolutions 12, 15, and 16 as presented

Approved: Unanimously

**Delegation of Action Items**

- Andy Wendell will add an option for transmission construction from the South Shore substation to the vicinity of the city of Chelan’s potential new substation
- John Stoll will provide an update on appropriate PUD signage on properties
- Staff will gather additional information on fire causes in California

**Commission Items**

- Strategic Planning Kickoff Meeting and May Meeting Schedule Revision

**MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

- To set a special meeting February 7, 2019, at 12:30pm at the Wenatchee Convention Center, 121 N Wenatchee Ave, Wenatchee, for the purpose of the Strategic Planning Kickoff meeting, and
- To reschedule the May regular Board meetings as follows:
  - Reschedule the Monday, May 6, 2019 regular Board meeting to Monday, April 29, 2019, to begin at 10:00am in the headquarters Board Room
  - Reschedule the Monday, May 20, 2019 regular Board meeting to Monday, May 13, 2019, to begin at 10:00am in the headquarters Board Room

Approved: Unanimously

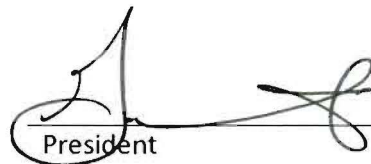
**Executive Session**

President Arseneault convened an executive session at approximately 1:32pm 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) for approximately 15 minutes.


**Regular Session Reconvened at 1:45pm**

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

There being no other business, the meeting adjourned at 1:45pm.



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President



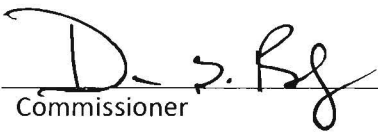
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Vice President



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Secretary



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Commissioner



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Commissioner