

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington March 18, 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 March 18, 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  
Charles von Reis, Acting General Counsel  
Rebekah Garfein, Clerk of the Board  
Various staff

## **Call To Order**

- President Arseneault called the meeting to order at 10:01am

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

- Jeremy Jordan, led the pledge and provided a safety presentation on safety being personal
- Jeremy discussed the science of errors and how small mistakes can add up over time; Safety is inviting employees this month to hold us accountable, let Safety know about issues, and report safety concerns

## **Agenda**

- Resolutions 10 and 11 were moved to the consent agenda
- Resolution 8 was moved to the regular agenda
- The agenda was approved as revised

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

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, and Dan Garrison, Director of Hydro Operations, recognized the February CPO winners, Chris Shimer, Journeyman Wireman and EMT, and Christina Detering, Hydro Support Specialist

## **Substation Update**

(see Chelan PUD website for presentation)

- Andy Wendell, Director of Customer Service, and Chad Rissman, Director of District Asset Management, reviewed substation information related to infrastructure planning and property acquisition which will support future resolution requests

- Updated standards include slightly larger properties which gives us options for future growth, room for innovation technologies, and space for mobile transformers when needed to support reliability and maintenance
- Reviewed property status; queuing locations gives us flexibility to respond as load growth progresses
- Andy gave detailed updates on the status of the North Shore, Leavenworth, Ohme, Wenatchee, Chelan Dam, and Mill Pond sites
- Gave a brief overview of feedback received at events held in Chelan last week; community is supportive of the Chelan Dam substation and fire-hardening the transmission lines
- As anticipated when we took over the Cashmere system, the Blue Star substation is no longer needed and the property will be transferred to the City of Cashmere

### **Update on Financial Resiliency**

(see Chelan PUD website for presentation)

- Kelly Boyd, Chief Financial and Risk Officer, reviewed information that will be shared with the Long-Term Rate Planning topic team on March 28
- Scenario included low water and low revenue for all years from 2020-2027, assumptions, and cost containment tools
- Demonstrated how each action impacts the liquidity requirement

### **Manager Items**

- Justin Erickson, Managing Director of District Services
  - Strategic Planning general updates
    - Long-Term Rate Planning, Public Power Benefit, and Rock Island Relicensing meet again on March 28
    - We've had 443 responses to the Aesthetics and Economic Development survey as of Friday; the survey will wrap up this week
    - A survey to all customer-owners will go out in May along with additional video content
  - The Rock Island Relicensing topic team met on March 7; reviewed pros and cons relative to early action
    - Discussed potential criteria from FERC, PUD, and customer-owners
- Mike Coleman, Managing Director of Fiber and Telecommunications, gave an update on the PPB topic team
  - Discussions included possible criteria for meeting requirements, looking at community benefit, how projects support the PUD, and focusing on partnerships
  - Priorities for all projects included access to the water, environmental stewardship, and cultural awareness in conjunction with education, job readiness, and economic development
- Felicity Saberhagen, Business Manager, Jennifer White, owner of Able Opportunities, and Jennifer Burns from the Chelan Douglas Developmental Disabilities Program, reported on a PPB-funded supported employment position for an intellectually developmentally disabled employee
  - Able Opportunities will implement an entire tool set here at the District; Commissioners expressed appreciation for this program

**Recessed at 12:05pm and Reconvened at 1:01pm**

### **Consent Agenda**

(see Chelan PUD website for resolutions)

President Arseneault presented the consent agenda which included the following items:

- Minutes of the March 4, 2019 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated March 13, 2019:
  - Vouchers totaling \$14,079,834.30;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 27, 2019 through March 12, 2019 in the amount of \$25,720.04;

- Approval of the net Payroll, Warrant Nos. 236416 through 236434 and Advice Nos. 669638 through 670412 for the pay period ending 03/03/2019 in the amount of \$1,985,053.63;
- Approval of Warrant Nos. 25420 through 25453 totaling \$55,891.78 for claim payments from the workers' compensation self-insurance fund for the period ending March 11, 2019.
- Resolution 10. A RESOLUTION AUTHORIZING AMENDMENT NO. 6 TO SERVICES AGREEMENT (SA NO. 13-082) WITH PYTHIAN GROUP, INC. TO PROVIDE SEQUEL ("SQL") SERVER CONSULTING SERVICES
- Resolution 11. A RESOLUTION REJECTING THE BID OF ALLIED BODY WORKS, INC. AND ACCEPTING THE BID OF TITAN TRUCK EQUIPMENT COMPANY, INC FOR BID SCHEDULES A, B AND D OF BID 19-02 FOR THE TRUCK UPFITTING OF SEVEN (7) DISTRICT PROVIDED CAB AND CHASSIS

**MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To accept the consent agenda as revised to remove Resolution 8 and add Resolutions 10 and 11

Approved: Unanimously

**Resolution 8**

(see Chelan PUD website for resolution)

- Tom Beebe, Project Manager II, presented Resolution 8 related to the fire alarm system upgrades at Rocky Reach Dam
- Resolution 8. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3, 4, 5 AND 6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-83 WITH COLVICO, INC. OF SPOKANE, WASHINGTON

**Resolution 9**

(see Chelan PUD website for resolution)

- Heather Irelan, Treasury Analyst Lead, presented Resolution 9 for an internal loan to the Rock Island system
- Resolution 9. A RESOLUTION AUTHORIZING A LOAN FROM THE FINANCING FACILITIES SYSTEM TO THE ROCK ISLAND SYSTEM IN AN AMOUNT NOT TO EXCEED \$87,000,000 TO FINANCE CERTAIN ROCK ISLAND CAPITAL IMPROVEMENTS FOR 2019 AND 2020

**MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To approve Resolutions 8 and 9 as presented

Approved: Unanimously

**Manager Items**

- Steve Wright, General Manager, congratulated Gregg Carrington, Managing Director of Energy Resources, who was honored for his service to hydropower with the Pamela E. Klatt Award from the Northwest Hydropower Association
- Steve Wright noted that he and Suzanne Grassell, Government Affairs Program Manager, have been working on a paper laying out an agenda for the hydropower industry and how it could be reinvigorated
  - Suzanne has shared the paper with the National Hydropower Association (NHA) Board and they have expressed interest in jointly publishing it with us; Steve will speak at the NHA conference in April

**Commission Items**

- Commissioner Smith reported on his and Commissioner Arseneault's visit with legislators last week in connection with WPUA

- Commissioner McKenna attended the Discovery Center workshop last week and expressed appreciation for the work staff is putting in to make the new Discovery Center wonderful
  - Commissioner Congdon encouraged all commissioners to visit the centers at Wanapum and Priest Rapids dam

**Manager Item**

- Steve Wright, General Manager, had the opportunity to meet with legislators last week on the clean energy bill; thanks to Senator Hawkins for setting that up
  - Explained the value of hydropower both historically and how it can support clean energy

**Follow Up on Delegation of Action Items from the 3/4/19 Board Meeting**

- Heather Irelan will provide information on outstanding balances of current debt for Rock Island – emailed 3/4/19
- Steve Wright will provide information on incremental investment analysis for Rock Island projects
- Justin Erickson will update Commissioners on emerging themes from Strategic Planning – update provided today

**Follow up on Action Item from Previous Meetings**

- Felicity Saberhagen will provide information in the next presentation on the position for developmentally disabled candidate and what agencies the PUD is partnering with – update provided today
- Staff will present an outreach plan for the fire risk assessment once we know the overall infrastructure investment needed in the Chelan area – update provided today

**Delegation of Action Items**

- Mike Coleman will share Public Power Benefit topic team presentation information

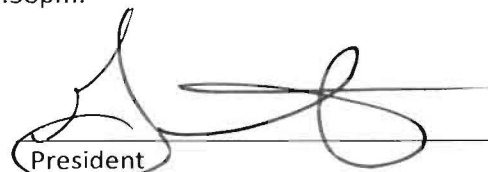
**Executive Session**

President Arseneault convened an executive session at approximately 1:25pm 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 30 minutes.

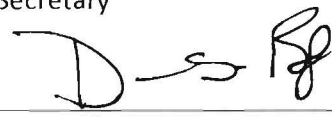
**Regular Session Reconvened at 1:58pm**

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

There being no other business, the meeting adjourned at 1:58pm.

  
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 President

  
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 Vice President

Secretary  
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 Commissioner

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