

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

April 3, 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 April 3, 2017, at the hour of 10:00 a.m., pursuant to proper notice thereof.

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

Others in attendance included: Linda Haglund, Carl & Carolyn Glosenger, Corky Thorson, Pat McGraw and Christine Pratt (Wenatchee World).

Various Staff were also in attendance.

Wai Petersen, Parks Superintendent, led the Pledge of Allegiance and provided a safety minute.

Vice President Garry Arseneault presented the Agenda for approval. Resolution 10 was added to the Consent Agenda. The agenda as approved as revised.

Corky Thoresen and Carolyn Glosenger shared comments regarding Chelan substation siting.

Legislative Update – Shaun Seaman, Government/External Affairs Manager, provided an update to the Board. (see www.chelanpud.org for the handout) Items of interest to the District included: Centennial Grant funding for the Peshastin Wastewater Plant Project, Fuel Mix Disclosure, Distributed Generation, SAO Issues, Retail telecom authority, Pole attachments, Fire liability, Back-billing, Hydraulic Project Approval and Funding aquatic invasive species program. The next cut-off is Wednesday.

Wireless Proof of Concept – Managing Director of Fiber and Telecom Mike Coleman and Director Bob Shane presented a Wireless Broadband update. (See www.chelanpud.org for the presentation) Commissioners reviewed results of a study on using wireless technology to provide access to broadband in areas of the county deemed too expensive to reach with PUD fiber. Robert Shane, Fiber and Telecom director, said a test of wireless technology in Manson and study of its possible use in the Entiat Valley concluded wireless is not a cost-effective alternative to fiber. Wireless doesn't offer the quality or level of service of fiber and is not a cost-effective way to reach the remaining 8 percent to 10 percent of the county. Shane said staff will take another look at wireless in five years, or when new technology arises.

Long Range Facilities Planning – Jeff Smith, Managing Director of District Service and Dan Frazier, Share Services Director, presented an update on the Long Range Facilities Planning. (See www.chelanpud.org for the presentation) Commissioners asked for staff to move forward with detailed engineering, design and financing analysis. No decision has been made to move or build any particular facility. In the next 60-90 days, staff will be looking into greater detail at costs,

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resources, land availability, scheduling and even greater community collaboration and communications. Recommendations to build any specific facilities will come back to PUD commissioners for approval. Board members weighed public comment in seeking refinement of the recommendations on how to enhance the customer experience while producing long-term benefits for PUD customer-owners through increased employee productivity and reduced operation and maintenance costs.

Linda Haglund, Director of Wenatchee Downtown Association, offered to be a part of the planning for the facilities planning.

Advanced Metering Outreach – Commissioners heard that customers are invited to take charge of their power and let the PUD know what they think about new two-way digital meters. Customer Service Director Andrew Wendell and Communications Manager Suzanne Hartman, said community meetings will be held around the county this month where customers can see the new advanced meters and ask questions about the technology. PUD staff are also looking to talk with service clubs and community groups.

A motion was made by Commission Congdon, seconded by Commissioner McKenna and passed to reschedule the following regular meeting dates:

- June 19, 2017 to June 26, 2017;
- July 3, 2017 to July 10, 2017, and
- July 17, 2017 to July 24, 2017

Heard the significant decision by the HCP Coordinating Committee for the Habitat Conservation Plans that spring Chinook survival past Rocky Reach and Rock Island dams can be used as a marker for coho salmon survival. Natural Resources Director Keith Truscott said great collaboration among committee members in reviewing and analyzing spring Chinook survival data led to the agreement. The findings will be reviewed at the next 10-year “check-ins” in 2020 and 2021 for each dam on meeting goals in the 50-year fish protection plans.

The meeting recessed at 12:00 p.m., and reconvened at 1:00 p.m.

A motion was made by Commissioner Congdon, seconded by Commissioner McKenna and passed to add payment to CompuNet Inc. to the Consent Agenda in the amount of \$552,216.66 for phone system replacement equipment including technical support to the payment approvals listed in the Consent Agenda.

Vice President Arseneault presented the consent agenda which consisted of the minutes of the March 20, 2017 regular meeting and the March 28, 2017 special meeting (Tri-Commission) for approval.

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The Auditor's memorandum dated March 28, 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 March 28, 2017:

1. Vouchers totaling \$7,895,595.57;
2. Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 15, 2017 through March 28, 2017 in the amount of \$27,199.38;
3. Approval of the net Payrolls, Warrant Nos. 235111 through 235134 and Advice Nos. 630682 through 631420 for the pay period ending 3/19/2017 in the amount of \$1,786,613.41; and
4. Approval of Warrant Nos. 23244 through 23303 totaling \$10,588.41 for claim payments from the workers' compensation self-insurance fund for the period ending March 27, 2017.
5. Approval for payment to CompuNet Inc. in the amount of \$552,216.66 for phone system replacement equipment including technical support.

Charge-Offs to Uncollectible Accounts over \$1,000.00 For February – \$5,084.34

RESOLUTION 17-14126 RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-63 WITH RAYFIELD BROS EXCAVATING, INC. OF LEAVENWORTH, WA AND AUTHORIZING PAYMENT OF RETAINAGE

A motion was made by Commissioner McKenna seconded by Commissioner Congdon and passed adopting the Consent Agenda, consisting of the minutes of March 20, 2017 regular session and the March 28, 2017 special session (Tri-Commission), the above listed vouchers and Resolution No. 17-14126 which are on file in the offices of the District.

Commissioners considered the following resolution:

RESOLUTION NO. 17-14127 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 17-006) WITH UNITED STATES DEPARTMENT OF AGRICULTURE, ANIMAL AND PLANT HEALTH INSPECTION SERVICE, WILDLIFE SERVICES OF OLYMPIA, WASHINGTON FOR PIKEMINNOW, AVIAN PREDATOR AND NUISANCE ANIMAL CONTROL

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A motion was made by Commissioner Congdon, seconded by Commissioner McKenna and carried approving Resolution No. 17-14127, which is on file in the offices of the District.

A motion was made by Commissioner McKenna, seconded by Commissioner Congdon and carried directing staff to establish a board designated fund for the purpose of investing in the Long-Term Facilities Plan.

Commissioners and staff congratulated Truscott and his wife, Carla, Energy Resources conservation specialist, on their joint retirement at the end of the week. Together, the couple has served PUD customer-owners for 70 years.

Lisa Sanders, Finance Administrative Assistant, reviewed upcoming Commissioner travel arrangements.

Managing Director Mike Coleman reported fiber outage in Leavenworth and up Horse Lake Road.

General Manager Steve Wright followed-up on Delegation of Action Items from Previous Board Meeting life cycle analysis of above ground vs and underground and AMI Opt-out is included.

Delegation of Action items from this meeting. come back with a proposed number of Facilities planning when Commissioners Bolz and Smith return.

Vice President Arseneault convened an executive session at 1:55 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) for approximately 30 minutes.

Reconvening the meeting into regular session at 2:30 p.m., Vice President Arseneault stated no actions and no votes were taken.

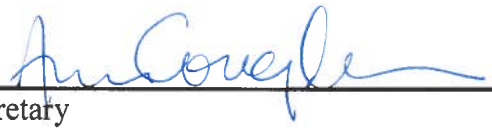
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There being no other business, the meeting adjourned at 2:30 p.m.

President



Vice President



Secretary

Commissioner



Commissioner