

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington June 3, 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 June 3, 2019, at the hour of 9:30 am, pursuant to proper notice thereof. Meeting start time change was noticed via email by Commission President on May 30, 2019.

**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:** Lee De La Torre, Diamond Foundry

## **Call To Order**

- President Arseneault called the meeting to order at 9:32am

## **Executive Session**

President Arseneault convened an executive session at approximately 9:33am 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 10:03am**

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

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

- Teka Sellers, Customer Outreach Specialist II, led the pledge and provided a safety minute on the District's metallic balloon safety campaign

## **Agenda**

- Resolution 16 was moved to the consent agenda; the agenda was approved as revised

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

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized the April CPO Winner - Evin Busey, Journeyman Wireman

### **2019 – 2020 Insurance Renewal Program**

(see Chelan PUD website for presentation)

- Ron Gibbs, Insurance and Claims Manager, presented the 2019-2020 insurance program overview
- Ron has asked for quotes for additional coverage, should Commissioners choose to increase coverage
- We hired an engineering consultant to perform a mechanical breakdown risk assessment; no recommendations were given on how we operate or maintain our plants
- Anticipate a 7.7% premium increase for the coming policy year

### **Sunitch Canyon / Deadhorse Public Outreach Effort**

(see Chelan PUD website for presentation)

- Chad Bowman, Director of Transmission and Compliance, and Steve Wickel, Transmission Engineering Manager, reviewed information that will be shared in outreach to Plain and Lake Wenatchee
- Chad reviewed background on alternative transmission lines that were first suggested ~25 years ago
- Will reach out to residents in Plain and Lake Wenatchee; anticipate there may be increased interest due to fire risk mitigation and increased reliability
- Options for transmission improvements, along with pros and cons of each, were reviewed
- Goal is to increase safety and reliability while reducing fire risk

### **Public Power Benefit Program**

(see Chelan PUD website for presentation)

- Felicity Saberhagen, District Services Business Manager, reviewed Public Power Benefits (PPB) program funding, updates, and next steps
- Reviewed accomplishments under ongoing projects and presented three additional projects for funding consideration
  - Loop trail extension to the proposed Service Center
  - Purchase art pieces installed in the park
  - Fund day use passes for 2020-2022
- The PPB topic team recommends staff reevaluate the funding criteria to determine whether borrowing in the planning horizon should impact funding for the program; we have based our funding recommendations on past performance
- Staff recommends moving forward with budgeting \$4M for PPB funding in 2020; the Commissioners gave a head nod of approval

### **Rock Island Facilities Update**

(see Chelan PUD website for presentation)

- Brett Bickford, Director of Engineering and Project Management, and Sam Dilly, Project Manager III, gave an update on the Rock Island Support Facilities Improvement project
- As we gained more information, we were able to adapt the project to be more beneficial; this resulted in the combination of several buildings into one larger building C-22
- A new water reservoir and pump have been added to the project for fire suppression along with other utility improvements
- Deferred the C-19 building in order to stay within budget; will reevaluate that building at a later date
- Staff recommends proceeding with the project, while deferring the evaluation of building C-19

### **Proposed Hartford Steam Boiler Settlement Agreement**

- Erik Wahlquist, General Counsel, reviewed the terms of the proposed settlement with Hartford Steam Boiler for claims related to C8-C11
- The total payment of \$23,653,098 includes estimated repairs and business losses

## **MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To approve the settlement with Hartford Steam Boiler as recommended

Approved: Unanimously

## **Manager Items**

- Justin Erickson, Managing Director of District Services, gave an update on Strategic Planning
  - Surveys have been sent to all customer-owners; received 1100 responses so far
  - Justin spoke to the Chelan Rotary last week and will speak at Cashmere Rotary this week
  - 174 students participated in the student outreach at Pioneer Middle School
  - 25 students will participate in a Rocky Reach Field Experience on June 4
    - Commissioner Arseneault will attend along with Senator Hawkins and Representative Goehner
- Andy Wendell, Director of Customer Service and Stakeholder Outreach, gave an update on the May 15 outreach in Lake Chelan
  - Reviewed outreach efforts to date on substation siting and transmission line and feeder hardening
  - The fire hardening project has broad support for option 1 – rebuilding the entire line to the Union Valley substation
    - Moving forward with outreach to adjacent property owners
  - Outreach efforts for the Chelan Dam substation revealed near-unanimous support for Site B, which is close to the load center and has a minimal aesthetic impact
    - Next steps include engineering and feasibility study to review costs and constructability; will ask for public feedback when a more definitive layout is available
  - Broad support for transmission lines to start at Chelan Falls and follow the Gorge Road to the new substation; the Washington State Department of Fish and Wildlife has noted there may be potential impacts to wildlife and would like to discuss the route further

## **Commissioner Travel**

- Lisa Sanders, Finance Admin Assistant, reviewed upcoming Commissioner travel

## **Recessed at 12:00pm and Reconvened at 1:02pm**

## **Diamond Foundry Contract**

- Lindsey Mohns, Customer Utilities Business Manager, noted we have not received any public comment on the Diamond Foundry Contract; no members of the public provided comment today
- Resolution 15. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERCONNECTION AND SERVICE AGREEMENT WITH D FOUNDRY I LLC FOR ELECTRIC SERVICE UNDER RATE SCHEDULE 4, LARGE LOAD

## **MOTION**

Moved by: Commissioner Bolz

Seconded by: Commissioner Congdon

To approve Resolution 15 as presented

Approved: Unanimously

- Lee De Le Torre, Diamond Foundry General Manager, thanked Commissioners for their positive vote and read a statement from the company (the written statement can be found on the Chelan PUD website)

## Consent Agenda

(see Chelan PUD website for resolutions)

- President Arseneault presented the consent agenda, which included the following items:
  - Minutes of the May 13, 2019 Regular Meeting
  - Vouchers: Accounts Payable Summary Report dated May 29, 2019:
    - Vouchers totaling \$36,042,718.21;
    - Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 8, 2019 through May 28, 2019 in the amount of \$36,833.96;
    - Approval of the net Payroll, Warrant Nos. 236511 through 236529 and Advice Nos. 673576 through 674377 for the pay period ending 05/12/2019 in the amount of \$2,052,637.28;
    - Approval of Warrant Nos. 25631 through 25704 totaling \$26,872.15 for claim payments from the workers' compensation self-insurance fund for the period ending May 28, 2019.
  - Resolution 13. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-68 WITH HURST CONSTRUCTION, LLC OF WENATCHEE, WASHINGTON FOR THE LAKE CHELAN SURGE TANK SITE ACCESS IMPROVEMENTS AND AUTHORIZING PAYMENT OF RETAINAGE
  - Resolution 16. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 15-101) WITH PERFICIENT, INC. TO PROVIDE IBM COGNOS, FILENET, AND TIVOLI MAXIMO SUPPORT AND ADDITIONAL LICENSE PURCHASES

### MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To accept the consent agenda as revised to include Resolution 16

Approved: Unanimously

Commissioner Congdon left at this time

## Resolution 14

(see Chelan PUD website for resolution)

- Jack Nieborsky, Substation Electrical Engineer III, reviewed Resolution 14
- It is possible we might rethink our specs in the future based on the alternative product offered, but we are on a tight timeline with a few substations
- Resolution 14. A RESOLUTION REJECTING THE BID OF GENERAL PACIFIC, INC. AND ACCEPTING THE BID OF ANIXTER, INC. OF PORTLAND, OREGON (BID 19-38) FOR SUPPLY OF SUBSTATION CIRCUIT SWITCHERS

### MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To approve Resolution 14 as presented

Approved: Unanimously

## Manager Items

- John Wasniewski, Energy Analyst I, gave an update on the Lake Chelan lake level
  - Chelan runoff is currently at 70% of average water supply; we are just above our target elevation
  - Expect to have the lake level at 1098 feet by July 1
- Debbie Gallaher, Visitor Services Manager, and John Sagerser, Engineering and Project Management Manager, highlighted Department of Energy photo contest winners Karl Specht and Laura Stirling
  - Karl Specht, Mechanical Engineer II, submitted a picture of Rock Island

- Laura Stirling, Visitor Services Support Specialist, submitted a picture of a rainbow over Rocky Reach
- Photos will be displayed at the Department of Energy in Washington DC

**Commission Items**

- Commissioners Smith and McKenna will be departing on Thursday for the APPA National Conference
- Commissioner Arseneault reported on the Corporate Volunteer of the Year award the District received from United States Energy Association in Washington DC
- Commissioner Arseneault recognized that this week marks the 75<sup>th</sup> anniversary of the Normandy landing

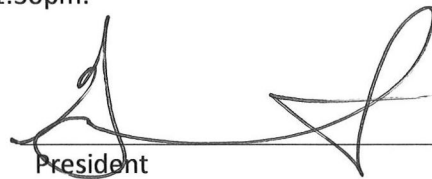
**Follow Up on Delegation of Action Items from the 5/13/19 Board Meeting**

- Gregg Carrington will provide a better understanding of the energy commitments graph in the Energy Resources Quarterly report
- Rebekah Garfein will follow up with Peter Spadoni on a tour of Stemilt’s Olds Station campus for Commissioners Arseneault and McKenna
- Rebekah Garfein will follow up on a tour for Commissioners of the infrastructure supplying the Diamond Foundry service once construction is underway – will be in the fall

**Delegation of Action Items**

- Felicity Saberhagen will provide the loop trail extension project route once it is determined

There being no other business, the meeting adjourned at 1:30pm.

  
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 President

  
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 Secretary

  
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 Vice President

  
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 Commissioner

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 Commissioner