

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

July 18, 2016

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 July 18, 2016, at the hour of 9:00 a.m.

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

President Smith convened an Executive Session at 10:00 a.m. to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g). He said he anticipated reconvening into regular session at 1:00 p.m.

Reconvening at 1:00 p.m., President Smith stated that no action was taken during the executive session.

Nicole Villacres led the Pledge of Allegiance and provided a safety minute.

President Smith presented the Agenda for approval. The agenda was approved as written.

Public Hearing – High Density Load – General Counsel Erik Wahlquist reconvened the public hearing held on July 5, 2016.

RESOLUTION NO. 16-14059 ESTABLISHING A NEW RATE SCHEDULE AND
NEW RATE FOR ELECTRICITY SERVICE TO HIGH DENSITY LOAD
CUSTOMERS

A motion was made by Commissioner Bolz, seconded by Commissioner Bergren and passed with a 4 to 0 vote. President Smith recused himself from the vote.

Pacific Northwest National Laboratory Energy Engagement: Carl Imhoff presented an update on the electric grid research being done at Pacific Northwest National Laboratory (PNNL) in Richland. (See www.chelanpud.org for the presentation.) He outlined how scientists are working to improve today's electric grid and find opportunities for improving future operations.

Customer Information System (CIS) Replacement Project Update: Customer Accounting Manager Kerri Wendell provided an update on the work done so far to replace the District's billing system. In March, commissioners approved hiring a consultant to help staff navigate replacement of the system that plays a role in many critical District operations. The customer information system has worked well since it was installed in 2004, but the system is no longer supported by the vendor and it doesn't offer advanced services that customers now request, Wendell said. A request for replacement proposals is being developed. Plans are to seek commission approval to issue the request for proposals in early fall.

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2nd Quarter 2016 Board Balanced Scorecard: (see www.chelanpud.org for handout)

President Smith presented the consent agenda which consisted of the minutes of the July 5, 2016 regular meeting for approval.

The Auditor's memorandum dated July 12, 2016 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:

1. Vouchers Totaling \$8,596,923.84;
2. Approval of Customer Deposit Returns and Conservation Incentive payments dated July 12, 2016 in the amount of \$36,563.23;
3. Approval of the net Payrolls, Warrant Nos. 234509 through 234539 and Advice Nos. 616883 through 617614 for the pay period ending 06/26/2016 in the amount of \$1,728,537.29; and
4. Approval of Warrant Nos. 22493 through 22531 totaling \$15,424.61 for claim payments from the workers' compensation self-insurance fund for the period ending July 11, 2016.

A motion was made by Commissioner Bergren, seconded by Commissioner Arseneault and passed adopting the Consent Agenda, minutes of the July 5, 2016 and the above listed vouchers, which are on file in the offices of the District.

Commissioners reported on various meetings each attended the weeks of July 4, 2016 and July 11, 2016.

Ron Gibbs, Insurance and Claims manager, reported that PUD insurance premiums for the coming year will be 4.5 percent less than this year. Commissioners had authorized up to \$2.245 million for coverage through July 2017. Gibbs reported negotiations brought coverage costs in for \$2.239 million.

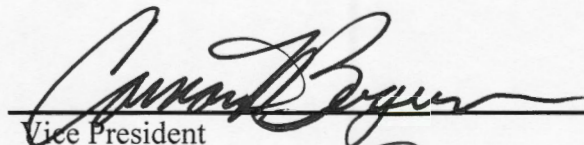
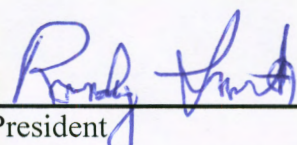
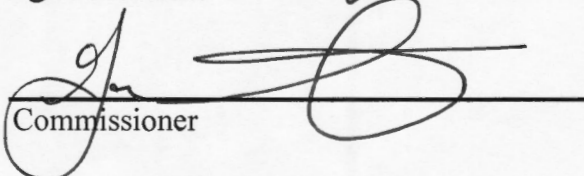
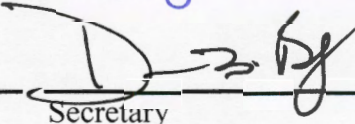
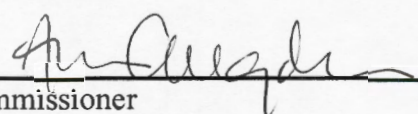
The Board received a request for PUD's fiber network access to be built out to White River Road from resident Sally Van Dusen.

President Smith convened an Executive Session at 3:00 p.m. 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). He said he anticipated reconvening into regular session at 3:15 p.m.

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Reconvening at 3:15 p.m., President Smith stated that no action was taken.

There being no other business, the meeting adjourned at 3:15 p.m.

 _____ Vice President	 _____ President
 _____ Commissioner	 _____ Secretary
	 _____ Commissioner