

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington September 17, 2018

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 September 17, 2018, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Dennis Bolz, President
Garry Arseneault
Ann Congdon
Steve McKenna
Randy Smith

Staff present: Lorna Klemanski, Managing Director of HR, Labor, and Safety
Erik Wahlquist, General Counsel
Rebekah Garfein, Clerk of the Board
Various staff

Others in attendance: Frank Kunz, Steve King, Allison Williams, Lyle Markhat, and Rob Jammerman - City of Wenatchee
John Alt and Greg Becker, City of Entiat
Bridget Mire, Wenatchee World
Approximately 13 members of the public attended the public hearing

Call To Order

- President Bolz called the meeting to order at 10:02am

Pledge of Allegiance and Safety Minute

- Adam Gormley, Control System Engineer Lead, led the pledge and provided a safety minute on child passenger safety

Agenda

- The agenda was approved as presented

Cycle of Personal Ownership (CPO) Winner Recognition

(see www.chelanpud.org for presentation)

- Lorna Klemanski, Managing Director of HR, Labor, and Safety, recognized August CPO Winners
 - Jessica Stuart, Park Maintenance
 - Kevin Scott, Park Aide
 - Benito Vivar, Park Foreman
 - Chris Glasspool, Park Maintenance,
 - Kyle Endelman, Parks Superintendent

Parking Presentation

(see www.chelanpud.org for presentation)

- President Bolz welcomed the City of Wenatchee and outlined concerns around parking along the waterfront
- Dan Frazier, Director of Shared Services, reviewed the purpose of the Wenatchee Waterfront Sub-Area plan and components of the 2010 MOU between the PUD and City

City of Wenatchee Parking Update

(see www.chelanpud.org for presentation)

- Frank Kunz, Wenatchee Mayor, introduced Steve King, Community & Economic Development Director, and Allison Williams, Executive Services Director
- Steve and Allison reviewed the amount of parking included in plans as development continues along the Wenatchee riverfront, including building a parking garage on Worthen Street, adding spaces under the pedestrian bridge, and adding spaces near Linden Tree Park
- The City's future efforts will also focus on parking management

Entiat Substation Property

(see www.chelanpud.org for presentation)

- Andy Wendell, Director of Customer Service, and Chad Rissman, Director of District Asset Management, reviewed a proposal to acquire property in Entiat for a new substation
- The identified property is sufficient to support long-term City growth plans
- Commissioner Congdon read a letter of support from Entiat Councilman Mike Chambers

Fiber Rates Review and Updates

(see www.chelanpud.org for presentation)

- Mike Coleman, Managing Director of Fiber and Telecommunications, presented an update on Fiber offerings and rates
- Updates include changes to VLAN services, Coarse Wave Division Multiplex services, aggregate bandwidth, non-recurring charges for advanced services on fees and charges, and service connection policy
- If approved, rate changes and service connection policy would be effective January 1, 2019

Walkley Scholarship Nominee Drawing

- Commissioner Smith drew Jakob Wiersma from entries received to be Chelan PUD's nominee to WPUDA for the Walkley Scholarship
- The scholarship will be awarded by WPUDA at their Annual Conference held in early December

Recessed at 12:02pm and Reconvened at 1:01pm

Public Hearing – Cryptocurrency Moratorium

(see www.chelanpud.org for presentation)

- Lindsey Mohns, Customer Utilities Business Analyst, presented an overview of the cryptocurrency rate, phase-in recommendation, and rate outreach plan
- Proposed rate outreach plan:
 - November 5 – November 19: Public notice, including legal notice, of rate hearing in newspapers, direct mail, social media, and the District's website
 - November 7: Information meeting at the CTC
 - November 19: Rate Hearing; end public comment period
 - If rate is adopted, by 30 days after rate adoption: Direct notice to affected customers
- Several customer-owners provided input on the proposed rate and process

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Smith

To continue the moratorium and set the next public hearing for November 19, 2018, during the Board's regular meeting and to set the rate outreach plan, number and location of informational meetings, and date of public rate hearing as proposed by staff in the presentation

Approved: Unanimously

Consent Agenda

- President Bolz presented the consent agenda which included the following items:
 - Minutes of the September 4, 2018 Regular Meeting
 - Vouchers: Accounts Payable Summary Report dated September 12, 2018:
 - Vouchers totaling \$10,250,615.95;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 29, 2018 through September 11, 2018 in the amount of \$36,116.41;
 - Approval of the net Payrolls, Warrant Nos. 236144 through 236165 and Advice Nos. 659714 through 660493 for the pay period ending 09/02/2018 in the amount of \$2,005,908.90; and
 - Approval of Warrant Nos. 24790 through 24808 totaling \$3,300.32 for claim payments from the workers' compensation self-insurance fund for the period ending September 10, 2018.
 - Resolution 14. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 17-49 WITH DELSTAR ENERGIE, INC. OF MONTREAL, QUEBEC, CANADA
 - Resolution 15. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-14 WITH VOITH HYDRO, INC. OF YORK, PENNSYLVANIA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
 - Resolution 16. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-89 WITH SELLAND CONSTRUCTION, INC. OF WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To approve the consent agenda as presented

Approved: Unanimously

Strategic Facilities Plan – Port Industrial Building 5 (IB5) Lease

(see www.chelanpud.org for presentation)

- Dan Frazier, Director of Shared Services, reviewed lease terms and planned use of IB5 and gave an update on the status of other documents related to the Olds Station land purchase
- Intent is to finalize the remaining documents by the end of the year

Rock Island Powerhouse 2 Unit Rehab Update and Design-Build Process

(see www.chelanpud.org for presentation)

- John Sagerser, Manager of Engineering and Project Management, gave an update on the design-build status, contractor selection process, and next steps for the Rock Island Powerhouse 2 Unit Rehab project
- The design-build process determines how we choose the contractor; the contract resulting from that process defines scope and remains subject to changes in scope and cost
- Commissioners are supportive of moving forward with the design-build alternate contracting mechanism for this project

Resolution 17

(see www.chelanpud.org for resolution)

- Bruce Porter, Senior Contract Specialist, presented Resolution 17
- The District will consider when use of this contract is beneficial to the District
- Resolution 17. A RESOLUTION APPROVING A NEW INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (SA NO. 18-121) BETWEEN THE DISTRICT AND UNIVERSITY OF WASHINGTON (UW) FOR THE PURCHASE OF MATERIALS, EQUIPMENT AND SUPPLIES

Resolution 18

(see www.chelanpud.org for resolution)

- Alene Underwood, Fish and Wildlife Manager, and Ian Adams, Hatchery Maintenance and Operations Coordinator, presented Resolution 18
- This program meets the District's Habitat Conservation Plan goals for coho salmon
- Resolution 18. A RESOLUTION AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO ENTER INTO A FUNDING AGREEMENT (SA NO. 18-117) WITH THE CONFEDERATED TRIBES AND BANDS OF THE YAKAMA NATION FOR COHO HATCHERY COMPENSATION RELATED TO THE ROCKY REACH AND ROCK ISLAND HYDROELECTRIC PROJECTS

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To approve Resolutions 17 and 18 as presented

Approved: Unanimously

Manager Items

- Janet Jaspers, Energy Planning & Trading Manager, reported that an extension to the Mid-C coordination agreement has been finalized
 - This extends the termination date five months to November 30, 2019
 - The Two Dam Independent Operations team has identified additional opportunities during this time, including staff training
- Tracy Yount, Director of External Affairs, and Suzanne Grassell, Government Affairs Program Manager, reported on recent legislation passed by the US House on early action legislation; the Senate is expected to approve it soon
 - Gives hydro operators credit for investments made prior to license renewal and can be factored into the number of years an operator's hydro operating license covers
 - This is key as the District looks ahead to relicensing for Rock Island Dam

Commission Items

- Commissioner Smith noted his recent visit to Kyrgyzstan and their renewed focus on hydro development
- Commissioner Arseneault gave kudos to Mike Coleman and Shaun Seaman for their work with the Governor's taskforce on a broadband bill
 - The WPUA Commissioners gave full support for the WPUA broadband bill principles

Commissioner Congdon left at this time

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To change the Board workshop time and location to Monday, October 1, 2018 from 8:00am to 12:00pm in the Commissioners Boardroom and to change the start time of the October 1, 2018 Board meeting to 1:00pm

Approved: Unanimously

Follow Up on Delegation of Action Items from the 9/4/18 Board Meeting

- Commissioner McKenna and Commissioner Arseneault will be provided with additional information on cryptocurrency rate options for small miners; completed 9/4/18
- Commissioner McKenna will be provided additional information on how Board decisions impact the CIS project; completed 9/4/18
- Staff will present an outreach plan for the fire risk assessment once we know the overall infrastructure investment needed in the Chelan area; will be brought back at a future meeting

Delegation of Action Items

- Mike Coleman will gather information on what service providers are doing to help low-income customers
- Alene Underwood will report on what it costs us to achieve no net impact

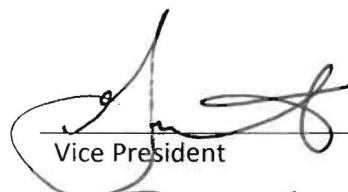
Executive Session

President Bolz convened an executive session at approximately 2:50pm 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 3:22pm

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

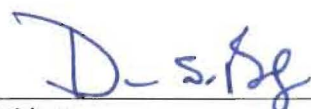
There being no other business, the meeting adjourned at 3:22pm.




 Vice President



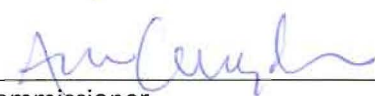
 Commissioner



 President



 Secretary



 Commissioner