

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington December 2, 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 December 2, 2019, at the hour of 10:00 am, pursuant to proper notice thereof.

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

Staff present: Steve Wright, General Manager
Erik Wahlquist, General Counsel
Rebekah Garfein, Clerk of the Board
Various staff

Call To Order

- President Arseneault called the meeting to order at 10:03am

Pledge of Allegiance and Safety Minute

(see Chelan PUD website for presentation)

- Tony Nelson, Director of Central Maintenance, led the pledge and relayed a story supporting the Human Performance Improvement (HPI) mindset
- The District provides great safety equipment and training, but until we make it important to us, it won't be as effective as it can be

Agenda

- Resolutions 13, 14, and 15 were moved to the consent agenda; the agenda was approved as revised

Advanced Metering Infrastructure (AMI) Opt Out Policy Update

(see Chelan PUD website for presentation)

- John Stoll, Managing Director of Customer Utilities, and Lindsey Mohns, Customer Utilities Business Manager, presented preliminary information on the advanced metering infrastructure (AMI) opt out policy
- The opt out policy will be available to residential, single-phase meters
- Lindsey reviewed one time charges ranging from \$300-\$400 and monthly charges from \$30-\$80 with discounts for low income, senior and disabled customer-owners
- Commissioners provided guidance to staff as they continue to refine this policy prior to implementation

Identity Theft Prevention Program Update

- Erik Wahlquist, General Counsel, gave an update on the District's identity theft prevention program
- The committee met and determined there is no required reporting for 2019

- There have been legislative changes to the statute that governs this program; staff will review the District policy and revise if needed

Utility Service Policy and Regulations Update

(see Chelan PUD website for presentation)

- Cathy Melton, Customer Service Program Analyst, reviewed proposed updates to the utility service policy and regulations
- The proposed updates refine changes previously made and add clarification for staff and customer-owners

Manager Items

- Debbie Litchfield, Director of Treasury, and Heather Irelan, Treasury Analyst Lead, gave an update on District bond ratings
 - High bond ratings keep rates low for customer-owners and can provide low interest rates in the bond market
 - Fitch has confirmed the District's AA+ stable rating
- Mario Cantu, Community Engagement Coordinator, gave information and invited Commissioners to attend the 4th Annual Fiesta Decembrina on Friday, December 20, from 8:00-10:00pm at Pybus Market
- Steve Wright, General Manager, gave an update on the Columbia River Treaty renegotiation
 - The State Department is holding meetings around the regional and has scheduled a town hall in Richland on Monday, December 16 from 5:00-7:30pm
 - Commissioners Arseneault and Smith will attend with Commissioner Arseneault representing the District and Commissioner Smith representing the Washington PUD Association (WPUDA)

Commission Items

- Commissioner Arseneault attended the APPA Cybersecurity Summit; heard from cities and counties that had been hacked
 - Their messages were very similar; the hacks were a result of spearfishing activity
 - The majority of cyber attacks are led by rogue nations and perpetrators are very sophisticated; their intent is disruption
- Commissioner Smith noted the upcoming WPUDA Annual Conference later this week
- Commissioner McKenna recognized Melissa Lyons, Environmental Commodities Trader, for her appointment to the State Clean Energy Transformation Act workgroup

Commissioner Travel

- Lisa Sanders, Legal Admin Assistant, reviewed upcoming Commissioner travel arrangements

Follow Up on Delegation of Action Items from the 11/18/19 Board Meeting

- Lorna Klemanski will determine how we will get the word out about the 2020 Women In Public Power conference

Follow Up on Delegation of Action Items from Previous Meetings

- Justin Erickson (Michelle Smith) will give an update on Orondo Park, including Douglas Port spending priorities (Nov) – reported as part of the District Performance Plan update on 11/4/19
- Craig Kunz will determine the depreciation timeline for Nine Canyons wind turbines and the impact to our budget – sent by Steve Wright via email on 11/22/19
- Rebekah Garfein will implement the following BoardEffect changes:
 - Add resolution titles to BoardEffect resolutions – completed 11/29/19
 - Upload an additional year of resolutions – completed 11/29/19

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the November 18, 2019 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated November 27, 2019:
 - Vouchers totaling \$13,351,867.10;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 13, 2019 through November 26, 2019 in the amount of \$44,534.25;
 - Approval of the net Payroll, Warrant Nos. 236774 through 236795 and Advice Nos. 684031 through 684806 for the pay period ending 11/10/2019 in the amount of \$2,080,085.16;
 - Approval of Warrant Nos. 26182 through 26257 totaling \$15,841.41 for claim payments from the workers' compensation self-insurance fund for the period ending November 25, 2019.
- Resolution 9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-7, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-09 WITH HURST CONSTRUCTION, LLC OF WENATCHEE, WASHINGTON FOR THE ROCK ISLAND HYDRO SITE UTILITY IMPROVEMENTS PROJECT AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-49 WITH CLOACINA, LLC OF ARROYO GRANDE, CA AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO A SERVICE AGREEMENT (RFP 07-67) WITH PUREWORKS, INC., D/B/A PURESAFETY, OF NASHVILLE, TENNESSEE TO CONTINUE PROVIDING A WEB BASED COMPLIANCE TRAINING SYSTEM AND SUPPORT SERVICES
- Resolution 14. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO A SERVICE AGREEMENT (RFP 07-67) WITH PUREWORKS, INC., D/B/A PURESAFETY, OF NASHVILLE, TENNESSEE TO CONTINUE PROVIDING A WEB BASED COMPLIANCE TRAINING SYSTEM AND SUPPORT SERVICES
- Resolution 15. A RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO SERVICES AGREEMENT (SA NO. 17-002) WITH SAPERE CONSULTING, INC. OF WALLA WALLA, WA FOR MANAGEMENT CONSULTING SERVICES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To accept the consent agenda as revised to include Resolutions 13, 14, and 15

Approved: Unanimously

Resolution 12

(see Chelan PUD website for resolution)

- Mike Coleman, Managing Director of Fiber and Telecom, presented Resolution 12
- Used direct negotiation for a service in order to gauge other provider's capabilities; NoaNet is deemed to be the best provider
- Resolution 12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 19-10500) WITH NORTHWEST OPEN ACCESS NETWORK OF GIG HARBOR, WA FOR NETWORK OPERATIONS CENTER SERVICES

Resolution 16

(see Chelan PUD website for resolution)

- Dan Frazier, Director of Shared Services, reviewed Resolution 16
- The District has brand-named Altec for a number of years through State contracts; operational consistency with one brand supports HPI principles, providing staff with the same trucks, controls and safety features
- Altec provides an exceptional level of service with service staff in Wenatchee every week

- Resolution 16. A RESOLUTION DECLARING ALTEC INDUSTRIES, OF DIXON, CALIFORNIA AS THE SOLE SOURCE SUPPLIER OF DIGGER DERRICKS AND BUCKET TRUCKS FOR CHELAN COUNTY PUD

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To approve Resolutions 12 and 16 as presented

Approved: Unanimously

Recessed at 11:35am and Reconvened at 1:01pm

Public Hearing – 2020-2021 Conservation Targets

- Public hearing began at 1:02pm
- Andrew Grassell, Energy Development / Conservation Manager, presented Resolution 6
- No public comment has been received to date and no public is present today
- Resolution 6. A RESOLUTION ESTABLISHING THE DISTRICT'S 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET FOR 2020-21 AS REQUIRED UNDER RCW CHAPTER 19.285

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Congdon

To approve Resolution 6 as presented

Approved: Unanimously

- Public hearing ended at 1:04pm

Resolution 11

(see Chelan PUD website for resolution)

- Craig Kunz, Manager of Strategic Financial Planning, reviewed Resolution 11
- This is the culmination of the budget process; no public comment has been received to date
- Resolution 11. A RESOLUTION APPROVING THE 2020 DISTRICT BUDGETS FOR THE FIBER NETWORK, WATER, WASTEWATER AND INTEGRATED ELECTRIC (DISTRIBUTION, TRANSMISSION, COLUMBIA RIVER-ROCK ISLAND HYDRO-ELECTRIC, LAKE CHELAN HYDRO-ELECTRIC, ROCKY REACH HYDRO-ELECTRIC SYSTEMS, TREASURY SERVICES, INTERNAL SERVICE SYSTEM AND FINANCING FACILITIES) BUSINESS LINES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To approve Resolution 11 as presented

Approved: Unanimously

Delegation of Action Items

- John Stoll will report on capabilities of AMI meters
 - What functions can be managed remotely and those that will need hands-on contact
- Steve Wright will follow up with Commissioner Bolz on the AMI Opt Out policy to gather feedback
- Rebekah Garfein will add 2020 WPUA events to Commissioner calendars – completed 12/2/19

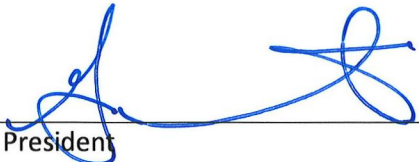
Executive Session

President Arseneault convened an executive session at approximately 1:11pm 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) and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 30 minutes.


Regular Session Reconvened at 1:42pm

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

There being no other business, the meeting adjourned at 1:42pm.



President



Secretary



Vice President



Commissioner

Commissioner