

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington December 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 December 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:** Steve Wright, General Manager  
Erik Wahlquist, General Counsel  
Rebekah Garfein, Clerk of the Board  
Various staff

**Others in attendance:** John Alt, Entiat Mayor  
Pat McGrath

## **Call To Order**

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

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

- Dave Parkhill, Safety Training Program Administrator, led the pledge and provided a safety minute on giving the gift of safety

## **Agenda**

- Resolutions 15, 16, 18, 19, 20, 21, and 22 were 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 November CPO winner Rich Colson, Materials Specialist

## **Election of 2019 Officers**

### **MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To nominate a slate of officers for 2019: Garry Arseneault, President; Steve McKenna, Vice-President;  
Ann Congdon, Secretary

Approved: Unanimously

### **Identity Theft Prevention Program Update**

- Erik Wahlquist, General Counsel, gave an update on the Identity Theft Prevention Program
- Purpose of report is to identify flags or incidents; no breaches of customer information or fraudulent charges occurred this year
- Erik noted steps taken to safeguard customer information; the new CIS system will further our efforts
- The District uses a third party service to confirm customer identities for new service requests

### **C-8 Unit Acceptance**

(see Chelan PUD website for presentation)

- Scott Tidd, Manager – Engineering and Project Management, gave an overview of the final acceptance of unit C-8, lessons learned, and a look ahead for units C-9, C-10, and C-11
- Lessons learned resulted in increased use of written safety procedures and pre-task plans, improvements in quality of head covers, and improvements in the decision making process

### **Lessons Learned**

- Gary Rice, Project Manager III, reviewed lessons learned on the Chelan Falls Powerhouse Park Bank Stabilization project
  - Constructability reviews allow staff to foresee potential problems
  - Confirming adequacy of water isolation methods
  - Looking beyond the project for other potential impacts (parking lot runoff in this case)

### **Manager Item**

- Dan Frazier, Director of Shared Services, reviewed the Service Center GC/CM application process
  - This is not a decision to proceed, but part of the District's due diligence to involve a contractor early in the project

### **Lessons Learned**

- Court Hill, Project Manager II, reviewed lessons learned on the Number 2 Canyon Storm Pipe Replacement project
  - Future projects along the Wenatchee waterfront should consider removal costs for objectionable fill material due to the property uses years ago
- Vern Chamberlain, Manager – Project Management, and Chris McDarment, System Operations & Coordination Manager, reviewed lessons learned on the System Operations Video System project
  - Consider using equipment consistent with industry norms
  - Be specific in the RFP for hardware and software compatibility
  - Use of acceptance testing

### **Manager Items**

- Stacey Jagla, Internal Audit Manager, reported on the State Auditor's Office 2017 Accountability Audit Results
  - Audit was completed under budget; Erik thanked Stacey and Melinda Barnes for significant work done up front to send documents ahead of the audit for review
  - Stacey noted areas of review; the audit was clean with no recommendations noted

### **Resolution 17**

(see Chelan PUD website for resolution)

- Scott Tidd, Manager – Engineering and Project Management, presented Resolution 17
- This order to proceed will mitigate escalation costs and lets the project team plan for the outage
- Authorizes a new head cover, as we've found cracks in similar units; avoids a delay for that component

- Vendor is committing to solving the vibration issue we've seen through the Field Work Order
- Resolution 17. A RESOLUTION AUTHORIZING THE ISSUANCE OF AN ORDER TO PROCEED FOR THE 5TH UNIT REHABILITATION UNDER CONTRACT NO. 04 01 PART B FOR THE ROCK ISLAND B5-B10 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP. AND APPROVING EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 5-03 FOR RELEASE OF THE REMAINING WORK AND EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 5-04 FOR PURCHASE OF A NEW OUTER HEAD COVER

**MOTION**

Moved by: Commissioner Congdon  
 Seconded by: Commissioner Smith  
 To approve Resolution 17 as presented  
 Approved: Unanimously

**Consent Agenda**

- President Bolz presented the consent agenda which included the following items:
  - Minutes of the December 3, 2018 Regular Meeting
  - Vouchers totaling \$11,191,347.81;
    - Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 28, 2018 through December 11, 2018 in the amount of \$48,393.38;
    - Approval of the net Payrolls, Warrant Nos. 236273 through 236292 and Advice Nos. 664395 through 665143 for the pay period ending 11/25/2018 in the amount of \$2,021,233.98;
    - Approval of Warrant Nos. 25094 through 25143 totaling \$37,382.88 for claim payments from the workers' compensation self-insurance fund for the period ending December 10, 2018.
  - Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1-19 AND AUTHORIZING FINAL ACCEPTANCE FOR THE FIRST UNIT (C-8) UNDER CONTRACT NO. 14-22 WITH VOITH HYDRO, INC. OF YORK, PA AND AUTHORIZING RELEASE OF THE BOND FOR THE FIRST UNIT IN LIEU OF RETAINAGE
  - Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-01 WITH PIPKIN, INC DBA PIPKIN CONSTRUCTION OF EAST WENATCHEE, WA AND AUTHORIZING PAYMENT OF RETAINAGE
  - Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT 16-116 (INTERNALLY ASSOCIATED WITH RFP 16-24) WITH SIGNAL PERFECTION, LTD OF COLUMBIA, MD AND AUTHORIZING PAYMENT OF RETAINAGE
  - Resolution 13. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-58 WITH J&K EARTHWORKS LLC OF ROCK ISLAND, WA AND AUTHORIZING PAYMENT OF RETAINAGE
  - Resolution 15. A RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO SERVICES AGREEMENT (SA NO. 13-058) WITH THYSSENKRUPP ELEVATOR CORPORATION TO PROVIDE MAINTENANCE OF THE DISTRICT'S ELEVATOR EQUIPMENT
  - Resolution 16. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO EMERGENCY SERVICES PROTECTION AGREEMENT WITH CHELAN COUNTY FIRE PROTECTION DISTRICT NO. 1 FOR THE FURNISHING OF EMERGENCY FIRE PROTECTION SERVICES
  - Resolution 18. A RESOLUTION APPROVING AN EXCHANGE AGREEMENT AND AUTHORIZING THE GENERAL MANAGER AND/OR HIS DESIGNEE TO EXECUTE A BOUNDARY LINE ADJUSTMENT AND RELATED QUIT CLAIM DEED TO ALLOW FOR THE CONSTRUCTION OF A NEW RESERVOIR
  - Resolution 19. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO CONTRACT NO. 06-50 WITH DANIEL L. SUN, INC. DBA SUN-NET CONSULTING OF SAN JOSE, CA TO PROVIDE CAISO WEBOMS INTEGRATION
  - Resolution 20. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE INDIVIDUAL TASK AUTHORIZATIONS UNDER INTERAGENCY AGREEMENT SA NO. 15-123 WITH WASHINGTON DEPARTMENT

OF FISH AND WILDLIFE TO OPERATE THE FISH HATCHERY PROGRAMS REQUIRED IN THE LICENSES FOR THE ROCKY REACH, ROCK ISLAND, AND LAKE CHELAN HYDROELECTRIC PROJECTS

- Resolution 21. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERAGENCY AGREEMENT (SA NO. 18-156) WITH WASHINGTON DEPARTMENT OF FISH AND WILDLIFE TO PERFORM HATCHERY MONITORING AND EVALUATION ACTIVITIES REQUIRED IN THE LICENSES FOR ROCKY REACH AND ROCK ISLAND HYDROELECTRIC PROJECTS
- Resolution 22. A RESOLUTION REJECTING THE BID OF WESCO DISTRIBUTION, INC. AND ACCEPTING THE BID OF GENERAL PACIFIC, INC. (BID 18-87) FOR THE SUPPLY OF DISTRIBUTION CABLE AND CONDUCTOR

#### **MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To accept the consent agenda as amended

Approved: Unanimously

#### **Commission Items**

- Commissioner Smith reported on his attendance at the Re-Wire conference; it was very informative and Commissioner Smith recommended the conference for future attendance
- Commissioner Bolz noted that officers will change at the first meeting in January and encouraged Commissioners to consider their roles in WPUDA and other associations
  - Commissioners will let Commissioner Arseneault know their preference for association representation

#### **Follow Up on Delegation of Action Items from the 12/3/18 Board Meeting**

- Shaun Seaman will provide information about the Re-Wire Conference - completed via email 12/3

#### **Follow up on Open Items from Previous Meetings**

- Erik Wahlquist will work with staff to determine what options are available to Mr. Martini to address his construction concerns that the District can address without violating the current moratorium
  - Erik reported on staff work with Mr. Martini; this item is completed

#### **Manager Item**

- Steve Wright, General Manager, noted we've been very active with the Public Generating Pool (PGP) in looking at the least-cost approach to reduce greenhouse gas emissions
  - PGP plans to release a new study after January 1 covering the costs to get to 100% clean energy and reliability impacts

#### **Recessed at 11:51am and Reconvened at 1:02pm**

#### **Resolution 14**

(see Chelan PUD website for resolution)

- Vicki Griffin, Real Estate & Permitting Manager, presented Resolution 14
- Corrects the location of the Marina
- Mayor Alt thanked the Commission for this opportunity and commended the diligence and effort of staff on this project
- Resolution 14. A RESOLUTION APPROVING AGREEMENTS TO AMEND AND RESTATE AN INTERLOCAL AGREEMENT WITH THE CITY OF ENTIAT AND AUTHORIZING THE GENERAL MANAGER AND/OR HIS DESIGNEE TO EXECUTE THE AGREEMENTS CLARIFYING THE LOCATION OF PROPERTY AND PROPERTY RIGHTS TO BE GRANTED TO PERMIT THE CONSTRUCTION OF MARINA FACILITIES

**MOTION**

Moved by: Commissioner Smith  
Seconded by: Commissioner Arseneault  
To approve Resolution 14 as presented  
Approved: Unanimously

**Manager Item**

- Justin Erickson, Managing Director of District Services, and Alene Underwood, Fish & Wildlife Manager, reported on an emerging issue at Tumwater Dam
  - The dam was completed in 1909, the District took ownership in 1957, and the fishway was completed in 1987
  - Erosion has been noted along the lower fishway
  - Tumwater Dam remains essential to meeting our Habitat Conservation Program requirements
  - Immediate steps are being taken to assess the structural integrity of the fishway and evaluate next steps
  - The public viewing area will be closed beginning on December 26 until work is completed

**Delegation of Action Items**

- None

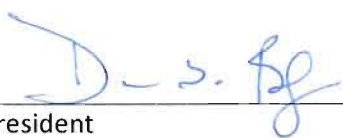
**Executive Session**

President Bolz convened an executive session at approximately 1:23pm 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), to consider information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities pursuant to RCW 42.30.110(1)(a)(ii), and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 60 minutes.

**Regular Session Reconvened at 2:31pm**

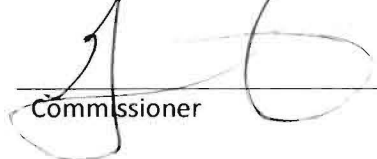
- President Bolz stated no votes were taken and no decisions were made during Executive Session


There being no other business, the meeting adjourned at 2:31pm.

  
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President

  
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Vice President

  
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Secretary

  
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Commissioner

  
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Commissioner