

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY  
327 N WENATCHEE AVENUE  
WENATCHEE WA 98801**

**REGULAR COMMISSION MEETING**

**DECEMBER 16, 2019**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety Minute – Kassie Bertilson
2. Approval of the Agenda  
*Any item on the Consent Agenda shall be subject to transfer to the Regular Agenda upon request of any Commission member*
3. CPO Winner Recognition
4. Advanced Metering (AMI) Opt Out Follow Up
5. Facilities Update
6. Public Power Benefit Program
7. Chelan-Manson Transmission Outreach and Alternative Selection
8. Fish & Wildlife Update

**BUSINESS SESSION**

**1:00 PM**

**Consent Agenda**

9. Minutes of the November 26, 2019 Tri-Commission Meeting and the December 2, 2019 Regular Meeting
10. Vouchers: Accounts Payable Summary Report dated December 11, 2019:
  - a. Vouchers totaling \$21,114.765.58;

- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 27, 2019 through December 10, 2019 in the amount of \$10,237.17;
- c. Approval of the net Payroll, Warrant Nos. 236796 through 236816 and Advice Nos. 684807 through 685572 for the pay period ending 11/24/2019 in the amount of \$2,114,372.32;
- d. Approval of Warrant Nos. 26258 through 26267 totaling \$11,976.88 for claim payments from the workers' compensation self-insurance fund for the period ending December 9, 2019.

**Regular Agenda**

- 11. A RESOLUTION DECLARING OFFICIAL INTENT UNDER U.S. TREASURY REGULATIONS OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON TO PAY OR REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO
- 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 8 TO SERVICES AGREEMENT (SA NO. 13-058) WITH THYSSENKRUPP ELEVATOR CORPORATION TO PROVIDE MAINTENANCE OF THE DISTRICT'S ELEVATOR EQUIPMENT
- 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 12 TO SERVICES AGREEMENT (SA-TA NO. 15-133) WITH ASPECT CONSULTING LLC TO PROVIDE TECHNICAL ASSISTANCE REGARDING THE DISTRICT'S WATER RIGHTS AND WATER RESOURCES PROGRAM
- 14. A RESOLUTION AMENDING SECTIONS OF THE ELECTRIC LINE EXTENSION POLICY PORTION OF THE DISTRICT'S UTILITY SERVICE POLICIES AND SECTIONS OF THE DISTRICT'S UTILITY SERVICE REGULATIONS
- 15. Manager Items
- 16. Commission Items
  - a. Election of Officers
- 17. Follow-up on Delegation of Action Items from Previous Board Meeting
- 18. Delegation of Action Items

REGULAR COMMISSION MEETING AGENDA

December 16, 2019

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19. Additional Public Comment

*Members of the public are encouraged to ask specific questions after each item presented. This agenda item is for additional comments/questions related to matters not on the agenda.*

20. Matters of general business as may necessarily come before the Commission

21. Executive Session: 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)

This agenda and resolutions (if any) may be revised by the Commission as appropriate.

## RESOLUTION NUMBER \_\_\_\_\_

A RESOLUTION DECLARING OFFICIAL INTENT UNDER U.S. TREASURY REGULATIONS OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON TO PAY OR REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO

## FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County, Washington (the “District”) intends to incur expenditures for the acquisition, construction or improvement of assets owned or to be owned by the District, including without limitation, distribution system additions and betterments, such as substations and advance metering infrastructure, and a new service and operations center (the “Projects”).

The District has paid and/or expects to pay certain expenditures in connection with the Projects (the “Prior Expenditures”) prior to the issuance of bonds or other debt obligations in one or more series (collectively, the “Debt”) to finance costs associated with the Projects on a long-term basis.

The District reasonably expects that the Debt will be issued in a principal amount not to exceed \$70,000,000 and that certain of the proceeds of such Debt will be used to reimburse the Prior Expenditures.

For federal income tax purposes, in order to allocate proceeds of tax-exempt obligations to expenditures originally paid prior to the date of issuance of those obligations, Section 1.150-2 of the Treasury Regulations (the “Treasury Regulations”) requires the District to declare its reasonable official intent to reimburse such prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing.

The District understands that the Treasury Regulations generally require that reimbursement of certain Prior Expenditures must occur no later than the later of (i) 18 months after the Prior Expenditure was paid, or (ii) 18 months after the Projects to which the Prior Expenditure relates is completed (but no more than 3 years after the Prior Expenditure was paid), and that no reimbursement may be made of a Prior Expenditure paid with proceeds of another debt obligation. The District understands that less than all of the Prior Expenditures might qualify for reimbursement from proceeds of future tax-exempt Debt under the Treasury Regulations.

**ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The District finds and determines that the foregoing recitals are true and correct.

Section 2. This resolution is adopted solely for purposes of establishing compliance with the requirements of the Treasury Regulations. This resolution does not bind the District to make any expenditure, incur any indebtedness, or proceed with the Projects.

Section 3. The District hereby declares its official intent to use proceeds of the Debt to reimburse itself for Prior Expenditures to the extent permitted by the Treasury Regulations or other existing or future federal income tax authority.

Section 4. This declaration shall take effect from and after its adoption.

DATED this 16<sup>th</sup> day of December 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

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Commissioner

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Commissioner

SEAL

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT NO. 8  
TO SERVICES AGREEMENT (SA NO. 13-058) WITH  
THYSSENKRUPP ELEVATOR CORPORATION TO  
PROVIDE MAINTENANCE OF THE DISTRICT'S  
ELEVATOR EQUIPMENT

## FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 13-058) on January 19, 2013 with ThyssenKrupp Elevator Corporation to provide maintenance only of the District's elevator equipment, in an amount not to exceed \$56,831.87. Amendments 1 through 7 added \$354,945.97 for a not-to-exceed dollar amount of \$411,777.84 and extended the Service Agreement through December 31, 2019.

District staff has identified the need for continuing services for maintaining the District's elevator equipment.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 13-058 with ThyssenKrupp Elevator Corporation to extend for one additional year in the amount of \$77,089.97, for a total revised contract price not to exceed \$488,867.81 through 2020.

The General Manager has reviewed District staff's recommendation and concurs in the same.

## ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON as follows:

Section 1. The General Manager is hereby authorized to execute an Amendment to Services Agreement (SA No. 13-058) with ThyssenKrupp Elevator Corporation to provide the additional services identified above. The revised contract price will not exceed \$488,867.81 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 16th day of December 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

## A RESOLUTION AUTHORIZING AMENDMENT NO. 12 TO SERVICES AGREEMENT (SA-TA NO. 15-133) WITH ASPECT CONSULTING LLC TO PROVIDE TECHNICAL ASSISTANCE REGARDING THE DISTRICT'S WATER RIGHTS AND WATER RESOURCES PROGRAM

## FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA-TA No. 15-133) on August 27, 2015 with Aspect Consulting LLC to provide technical assistance related to water right transfers, permitting, compliance, and relinquishment avoidance strategies associated with the District's portfolio of water rights, with a contract price amount not to exceed \$185,000. Subsequent Amendment No. 2 to Services Agreement No. 15-133 increased this not to exceed amount by \$10,000, for a total of \$195,000.

In four later Resolutions (Resolutions No. 16-14026, 16-14102, 17-14197, and 18-1429) authorizing increases in the contract price not to exceed amount, the initial Services Agreement not to exceed amount is misstated as \$195,000. The narrative should have reflected that this amount was the initial Services Agreement not to exceed amount plus the \$10,000 increase in the not to exceed amount under Amendment No. 2 to the Services Agreement. All of the approved increases in the four later Resolutions were correct and the resulting Amendments to the Services Agreements were correct. However, for clarity District staff recommends correction and conformance of these Resolutions to reflect the initial Services Agreement contract price not to exceed amount was \$185,000, and that Amendment 2 increased this amount by \$10,000.

Resolutions No. 16-14026, 16-14102, 17-14197, and 18-14291 increased the contract price by a total of \$917,000 for a revised contract price not to exceed \$1,112,000.

Through the review of the District's water rights and Water Resources Program, staff has identified additional work that is needed. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price over \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 15-133 with Aspect Consulting LLC to provide technical services regarding the District's water rights in the amount of \$300,000, for a total revised contract price not to exceed \$1,412,000.

The General Manager has reviewed District staff's recommendation and concurs in the same.



ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON as follows:

Section 1. Resolutions No. 16-14026, 16-14102, 17-14197, and 18-14291 are hereby corrected and conformed to reflect the initial Services Agreement (SA-TA No. 15-133) contract price not to exceed amount was \$185,000, and that Amendment 2 increased this amount by \$10,000 to \$195,000.

Section 2. The General Manager is hereby authorized to execute an Amendment to Services Agreement (SA-TA No. 15-133) with Aspect Consulting LLC to provide the additional services identified above. The revised contract price will not exceed \$1,412,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 16th day of December 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AMENDING SECTIONS OF THE  
ELECTRIC LINE EXTENSION POLICY PORTION OF  
THE DISTRICT'S UTILITY SERVICE POLICIES AND  
SECTIONS OF THE DISTRICT'S UTILITY SERVICE  
REGULATIONS

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Public Utility District No. 1 of Chelan County (District) has established provisions, regulations and practices for Electric, Water and Wastewater services entitled "Utility Service Policies," as adopted by Resolution No. 08-13307 and most recently updated by Resolution No. 19-14321, and "Utility Service Regulations" as adopted by Resolution No. 07-13211 and most recently updated by Resolution No. 19-14322.

During the December 2, 2019 Commission meeting, staff identified the need to revise sections of the Electric Line Extension Policy to better align policy with practices and provide clarity for customers. Staff recommends the following:

- Section 3, "Application," refine language stating that Applications will be deemed abandoned if requested information or payments are not completed within 30-days from District request.
- Section 6, "Estimate and Payment for Line Extension," refine language regarding payment options and clarify that the District may issue a revised Estimate if the project scope changes prior to work being completed.
- Section 12, "Latecomer Fee," establish a timeline in which customers may submit documentation/receipts for consideration with latecomer fees.

Staff also identified the need to revise sections of the Utility Service Regulations. Revisions are necessary to align regulations with practice and provide clarity for customers. Staff recommends the following:

- Section 12, "Connection and Disconnection of Service," clarify that new or previously connected electric services that have been disconnected for greater than 365 days or disconnected due to damage or hazardous conditions require approval from Washington State Department of Labor and Industries prior to reconnection by the District.
- Section 37, "Customer's Wiring and Equipment," supports the revisions as proposed in Section 12 requiring approval from Labor and Industries prior to connection of service.
- Section 43, "Temporary Electric Service," clarify that temporary electric services are for power for construction use only and not to be used for living quarters, and also supports revisions proposed in Sections 12 and 37.

District staff recommends that it is in the best interest of the District to amend the Electric Line Extension Policy and Utility Service Regulations as described herein. The revised Policy and Regulations are set forth in Attachments A and B. Staff recommends that these changes be effective on January 1, 2020.

The General Manager has reviewed staff’s recommendation and concurs in the same.

**ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. Effective January 1, 2020, the District’s Electric Line Extension Policy shall be amended as provided in Attachment “A.”

Section 3. Effective January 1, 2020, the District’s Utility Service Regulations shall be amended as provided in Attachment “B”.

Section 2. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

DATED this 16<sup>th</sup> day of December 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

## EXHIBIT A

# Electric Line Extension Policy

## 3. APPLICATION

### A. Application Form

Application for a Line Extension shall be made on the District's Service Application form. Each Application shall be submitted to the District for approval with the payment of the Engineering or Application Fee. The District will not process incomplete Applications. Applications will be deemed abandoned 30-days from date of District request if the requested information or payment is not supplied by the Applicant. Line Extensions are subject to reasonable conditions as determined by the District, in its sole discretion. The District may refuse to accept an Application, to build, or to give Final Acceptance of a Line Extension for reasons including, but not limited to, those set out in this Line Extension Policy. Upon approval, the Applicant may proceed with the Line Extension construction in accordance with the District's requirements, laws, ordinances, and franchises.

## 6. ESTIMATE AND PAYMENT FOR LINE EXTENSION

### A. Line Extension Estimate

The Applicant will be provided an Estimate by the District. The Estimate will be based on the Line Extension Construction Requirements listed in Section 5. The Estimate will also include estimated costs for a District inspector should the customer desire or be required to install their own trenching, vaults, conduit and grounding. Paid Engineering Fees will be credited towards the total Estimate.

B. The Estimate and Upfront Capital Charges must be paid by the Applicant prior to the District scheduling construction crews and proceeding with any Work. Estimates are valid for 60 days from the date of issue.

C. The Service Connection Fee and Security Deposit, as specified in the District's Fees and Charges schedule, must be paid in full prior to the District energizing the new service or before an expanded service may increase load.

The Applicant will be required to pay for any ongoing permit fees or reoccurring fees prior to construction by the District.

If the scope, schedule or project costs change prior to Work completion, the District reserves the right to issue a revised Estimate. The customer will pay the difference between the original Estimate and the revised Estimate. If this amount is not paid, the District may consider the Line Extension to be abandoned and may refund the original payment less any engineering fees, Materials used and any costs incurred by the District.

## 12. LATECOMER FEE

Customers who request to connect to an existing Line Extension may be required to share the costs associated with the original construction as set forth herein.

- A. The District will establish the cost per foot of the original Line Extension construction upon completion of the original construction project.
- B. If an additional new service connects to this extension, the new service customer shall pay to the District the Latecomer Fee for the original Line Extension based on the footage of original construction utilized by the new customer's Line Extension.
- C. The Latecomer Fee will be refunded to the customer who paid for the original construction. This Latecomer Fee repayment program will be in force for ten (10) years after Final Acceptance of original construction. D. No Latecomer Fee refund will be made to a customer who has paid for or shared in the cost of the installation of the Line Extension if they have sold their property whether by deed, contract or by any other method of sale. If the customer has sold a portion of the original property, the Latecomer Fee will be proportional to property still owned by the original customer. The purchaser of property from the original customer is not eligible for Latecomer Fees.
- E. When the customer installs, or has installed by someone other than the District, the trench, conduit (electrical and fiber), vaults, bases and any other electric facilities that were not paid to the District, the customer will need to supply the District with receipts showing actual costs if the customer requests the District to collect Latecomer Fees for these costs. The District will have the right to determine that these supplied costs are fair and reasonable. Receipts must be submitted within 30 days of energization of the line..
- F. Primary industrial customers and developers or owners of multi-site developments such as subdivisions, boundary line adjustment developments, mobile home courts, and recreational campsites are not eligible for Latecomer Fees.

## Exhibit B

# Utility Service Regulations

## 12. CONNECTION AND DISCONNECTION OF SERVICE

The District will not connect a new or previously connected service that has been disconnected for greater than 365 days or disconnected due to damage or hazardous conditions without approval from the Washington State Department of Labor and Industries or other appropriate government authority. The District may refuse to connect or may disconnect Utility Service for good cause, including but not limited to, failure to provide accurate and complete Customer identification, failure to provide accurate and complete information, including but not limited to information provided on the service application and other documents, violation of any of the District's regulations, policies, Contracts or Rate Schedules, failure to pay a deposit when requested, failure to pay Utility Service charges when due as previously outlined in these regulations, violation of Contract provisions or any Rate Schedule, unlawful diversion of Utility Service, nonpayment of a conservation loan, line extension, or upon the receipt of written instructions from the proper authorities for violation of municipal, state or national electrical codes. The disconnection of Utility Service for any cause shall not release the Customer from their obligation to pay for Utility Service received or amounts specified in the District's Utility Service Regulations, Rate Schedules or any written Contract with the Customer. The District will also refuse to serve loads which are detrimental to the District's Electric Service Facilities or Utility Service being rendered to other Customers. The District will restore Utility Service in accordance with Section 13, Service Connection Charge, Connection and Reconnection after all issues have been resolved and payments made.

For disconnection of service due to non-payment of monthly billings, the District will provide notice and dispute process as required in Section 10. In all other situations set forth in this Section 12, the District shall, before disconnection, attempt to give the Customer reasonable notice of such disconnection and the appeal process set forth in Section 10. F. will be applicable for such Customer disconnections.

## 37. CUSTOMER'S WIRING AND EQUIPMENT

The District reserves the right to refuse or discontinue Electric Service to Customer's equipment or wiring where such equipment or wiring is in hazardous condition or not in conformity with lawful codes and local regulations. The District will not energize a new service or a service that has been disconnected for more than 365 days without approval by the Washington State Department of Labor and Industries (L & I) or other appropriate government authority. If a service has been altered, the District may connect to the installation prior to L & I approval if an electrical work permit is displayed, electrical work is completed by a Washington State licensed electrician and the homeowner/property owner has signed a PUD Customer Authorization form. Delivery of Electric Service to the Customer's equipment or wiring shall not be deemed to be an acceptance or approval by the District of the installation or conditions of such equipment or wiring. The District shall not be held liable for any loss or damage to persons or property resulting from defects beyond the point of delivery or in the Customer's installation or equipment or the delivery of Energy thereto.

## 43. TEMPORARY ELECTRIC SERVICE

Temporary Electric Service is defined as single phase or three phase power required for construction use or other operations that are not considered permanent and shall not be construed as seasonal or recurring. This temporary service is limited to 12 months unless work is actively and continuously in progress. Temporary construction service equipment may only be used for construction purposes and shall be disconnected when the permanent service is connected unless Washington State Department of Labor & Industries grants an extension of time as per [WAC 296-46B-590 Special occupancies — Temporary installations](#).

A. The following will apply for Customers requiring a single or three phase temporary Electric Service for construction purposes using an overhead temporary Electric Service or an underground temporary Electric Service located adjacent to the handhole, transformer pole, padmount transformer, vault or pad:

1. The Temporary Electric Service equipment is provided and installed by the Customer.
2. The Temporary Electric Service equipment will consist of a single phase 120/240 volt meter base and post. Three phase will consist of a 120/208 volt meter or a 277/480 volt meter.
3. Temporary Electric Service is to be used only for lights, tools and equipment necessary for the construction of residential and commercial structures.
4. The Customer is required to obtain a Washington State Department of Labor & Industries electrical permit, inspection and approval.
5. In the event the Temporary Electric Service is used for purposes other than those intended, it will be disconnected by the District.
6. The Temporary Service is not to be used for RV sites, job shacks with living quarters, pump services or other non-construction uses.