

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

January 8, 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 North Wenatchee Avenue, Wenatchee, Washington, on January 8<sup>th</sup> 2018, at the hour of 10:00 a.m., pursuant to proper notice thereof.

President Bolz called the meeting to order as the initial meeting under his leadership, noting Commissioner Arseneault continues as Vice President and Commissioner McKenna taking the role of Secretary for 2019. Commissioners present were Dennis Bolz, Steve McKenna, Ann Congdon and Randy Smith. Garry Arseneault participated via telephone. In attendance were General Manager Steve Wright, General Counsel Erik Wahlquist and Acting Clerk of the Board Teresa Boushay.

Various Staff were in attendance.

Others in attendance: Nathan Clark, Mayor of Entiat Keith Vradenburg, Lisa Parks, and Pat McGrath.

Tracy Yount, Director of External Affairs, led the Pledge of Allegiance and provided a safety minute.

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

Orondo River Park – (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation).

Michelle Smith, Hydro Licensing and Compliance Director followed up on alternatives and requests for more information for future operations and funding by Chelan PUD of the Orondo River Park in Douglas County as requested at the Oct 15 Board meeting by Lisa Parks, Port of Douglas County Executive Director. The Commission approved an interim solution that will keep it open this year for day use only and boat launching, overseen by the Port of Douglas County. As proposed, camping will close for the year to allow work on safety improvements. Smith plans to return to the board in May to seek a decision on long-term park operation and ownership.

Nathan Clark, resident of East Wenatchee, presented a letter on behalf of a grassroots group concerned about the threat of crypto currencies and HDL load requests on the PUDs of the region. The letter outlines their concerns including requesting large quantities of power, warning of bad business practices and recommending a moratorium on these businesses, to educate the public of the threat and increased rates for all HDLs. The commission thanked him for his presence and for sharing these concerns.

Quarterly Load Growth Update – (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation).

Andrew Wendell, Customer Service Director and Chad Rissman, Director of Distribution Asset Management discussed the county's changing load growth trends. Key factors that require reevaluation of how the PUD forecasts and plans to meet new load include the county's strong

economy, along with high-tech and cryptocurrency service requests and being a recreation and retirement mecca. Most significantly the PUD has recently received multiple requests for service to loads larger than 5 megawatts. There is a significant impact on resources to process these applications which will require new policies and timelines as well as priority decisions regarding the District's performance objectives.

2018 District Performance Plan – (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation).

General Manager Steve Wright introduced the 2018 plan organized by the 7 objectives developed from the 2015 strategic plan with 321 objectives which support investing in assets and people, reducing debt and continued Public Power Benefit (PPB) programs. Managing Directors for all business units outlined their goals, targets and programs which include major investments in the dams, the electric grid, maintaining highly reliable electric service, water and wastewater services, lake and river access from PUD parks and Public Power Benefit programs such as broadband network expansion and day use parking passes for PUD parks operated by the state. The presentation was paused for a lunch break after page 11, to be continued in the afternoon Business session.

The meeting recessed at 12:03 p.m. and reconvened at 1:03 p.m.

Public Hearing for an LED Streetlight Rate proceeded without any members of the public in attendance to comment. Andrew Grassell, Manager of Energy Development and Conservation reported that 3 hearings in December were held without any attendance or public comment. As a result, he presented a resolution for the consideration of the Board:

#### 10. A RESOLUTION APPROVING A NEW LED STREET LIGHT ELECTRIC RATE

A motion was made by Commissioner Smith, seconded by Commissioner Cogndon, and passed adopting Resolution 10, which is on file in the office of the District.

President Bolz then presented the consent agenda, which consisted of the minutes of the December 18, 2017 Regular Meeting as well as the following:

The Auditor's memorandum dated January 3, 2018 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:

Accounts Payable Summary Report dated January 3, 2018:

1. Vouchers totaling \$25,611,722.33;
2. Approval of Customer Deposit Returns and Conservation Incentive payments for the period December 13, 2017 through January 2, 2018 in the amount of \$45,688.24;

3. Approval of the net Payrolls, Warrant Nos. 235688 through 235708 and Advice Nos. 645104 through 645829 for the pay period ending 12/10/2017 in the amount of \$1,796,447.42.
  4. Approval of the net Payrolls, Warrant Nos. 235709 through 235732 and Advice Nos. 645830 through 646612 for the pay period ending 12/24/2017 in the amount of \$2,049,585.69;
  5. Approval of Warrant Nos. 23949 through 24053 totaling \$26,718.17 for claim payments from the workers' compensation self-insurance fund for the period ending January 1, 2018; and
  6. Payment to Department of Ecology in the amount of \$168,691.73 on January 8, 2018 for Annual Hydropower License Fees (January 1, 2018 – December 31, 2018.)
9. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-72 WITH DAVID TISIOT GENERAL CONTRACTOR, LLC OF REDMOND, OR AND AUTHORIZING PAYMENT OF RETAINAGE

A motion was made by Commissioner McKenna, seconded by Commissioner Cogdon and passed adopting the Consent Agenda, consisting of the minutes of the December 18, 2017 meeting and the above listed vouchers and resolution.

Commissioners considered the following resolution, following a report by Jeff Osborn, Michelle Smith and Jeff Smith on the permitting services provided to the District by Anchor QEA, llc and explanation for exceeding the limits the contract by \$10,000. The District has hired a permitting specialist who will be taking on some of this work load and therefore lower the reliance for some of their services in the future.

11. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA NO. 16-099) WITH ANCHOR QEA, LLC TO PROVIDE PERMITTING ASSISTANCE

A motion was made by Commissioner Smith, seconded by Commissioner Cogdon and passed to adopt Resolution 11, which is on file in the office of the District.

Discussion of the 2018 District Performance Plan continued from the morning session.

Suzanne Hartman, Communications Manager, surprised General Manager Steve Wright with a birthday cake for his 60<sup>th</sup> birthday which he shared with member of the Commission and staff.

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Mangers items included:

- Suzanne Hartman informed all about the Multicultural Festival from 10-3 on Jan 13 and “Switch” an environmental movie at 7:00 p.m. on Jan 16, both at the Wenatchee Valley Museum and sponsored by the District.
- Ron Slabaugh, Water and Wastewater Manager gave an update on the Regional Water second source search near Rock Island Dam noting the initial location will not provide enough water at a sustainable level to proceed. Next plan to investigate another location on PUD property down from Alcoa on the Chelan County side. Also provided an update on the disappearance of the Ollalla Canyon spring on Jan 2; currently water is being trucked to the reservoir to serve local customers until another source can be found.
- Gregg Carrington, Managing Director of Energy Resources informed the Commission of a pending interlocal agreement with Grant and Douglas County PUDs for rebuilding hourly coordination of river operations on a functional level.

Under Commissioner’s items the January 22 Board meeting was discussed regarding timing and attendance. The meeting will take place as a morning session only, starting at 10:00 a.m., with Commissioners Bolz and McKenna being present and the remaining members participating via phone. Trade Association representation for the 2018 year will be reviewed by staff and updated according by the Board.

Lisa Sanders, Finance Administrative Assistant, reviewed the Commissioner’s 2018 travel schedule and commitments.

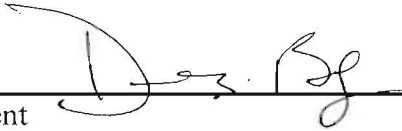
General Manager Steve Wright followed-up on Delegation of Action Items from Previous Board Meetings and reviewed the list of Action Items from this meeting.

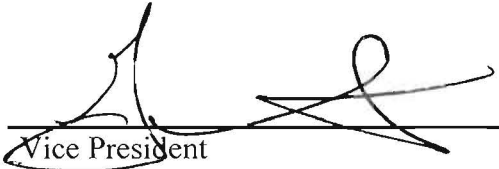
President Bolz convened an executive session at approximately 2:25 p.m. following a 7-minute break to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause the likely increase in price pursuant to rcw 42.30.110(1)(b).

Reconvening the meeting at approximately 3:25 p.m., President Bolz stated an additional 15 minutes was needed to continue the executive session discussion.

Reconvening the meeting into regular session at approximately 3:44 p.m., President Bolz stated no actions and no votes were taken


There being no other business, the meeting adjourned at 3:45 p.m.

  
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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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