

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington January 22, 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 January 22, 2018, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Dennis Bolz, President
Garry Arseneault (by phone)
Ann Congdon (by phone)
Steve McKenna
Randy Smith (by phone)

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

Others in attendance: Michal Chambers
Pat McGrath

Call To Order

- President Bolz called the meeting to order at 10:00am

Pledge of Allegiance and Safety Minute

- Matt Boles, Senior Internal Auditor, led the pledge and provided a safety minute on flu prevention

CPO Winner Announcement

- Rich Colson, Materials Specialist, was recognized for his initiative to update forms to electronic format
- This change increased efficiency and allows prior forms to be referenced as well as allowing auditors an electronic review process; great example of Operational Excellence and continuous improvement

Agenda

- The agenda was approved as presented

Quarterly Board Balanced Scorecard Status Update

(see www.chelanpud.org for presentation)

- Commissioners reviewed the status for each area
- All items are meeting targets except for attendance at an Energy Northwest Meeting due to illness; expect that to move to green this year

2-Way Radio RFP Selection Process Overview

(see www.chelanpud.org for presentation)

- Bob Shane, Director of Network Operations, and David Lodge, Project Manager I, reviewed project background, the request for proposal selection process, system features, schedule, budget, and next steps
- Given the terrain of Chelan County, are there dead spots?
 - Due to the change in technology we expect there will be slight shifts in coverage; we plan to monitor coverage and address as needed under Phase 2
- How are we achieving coverage in Stehekin?
 - Based on cost-savings, the increase in coverage is cost-effective under this system where it would have been cost-prohibitive under the old system

Public Comment

Michael Chambers of Entiat expressed his concern around bitcoin mining energy usage and the value of that usage. Mr. Chambers is concerned that environmental issues are not being addressed.

Lessons Learned on Consent Agenda Resolutions

- Casey Hall, Project Manager II, and David Lodge, Project Manager I, reviewed lessons learned on the resolutions included in the consent agenda
 - Casey reviewed the lessons learned on Bid 17-05 Mission Creek Distribution Rebuild and Fiber Build Out
 - Quality Assurance provided by the construction inspector / construction manager was key; project customer service engineer worked closely with line inspector to insure bid document was up to date resulting in a quality bid product
 - Completing the fiber installation while completing the distribution upgrade was well-received by the impacted customer-owners
 - David reviewed lessons learned on Bid 17-46 with Day Wireless; this project consisted of site and power improvements at eight telecom sites in preparation for microwave and radio replacements
 - David had initially not planned a pre-bid meeting as the sites were inaccessible; David was challenged to proceed with a pre-bid meeting
 - The pre-bid meeting was well attended and good discussion with the project engineer allowed clarification of various points which were included in a bid addendum; the project was completed very successfully

Consent Agenda

- President Bolz presented the consent agenda which included the following items:
 - Minutes of the January 8, 2018 Regular Meeting
 - Vouchers: Accounts Payable Summary Report dated January 17, 2018:
 - Vouchers totaling \$12,383,946.54;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 3, 2018 through January 16, 2018 in the amount of \$28,563.74;
 - Approval of the net Payrolls, Warrant Nos. 235733 through 235762 and Advice Nos. 646613 through 647339 for the pay period ending 01/07/2018 in the amount of \$1,776,806.68;
 - Approval of Warrant Nos. 24054 through 24108 totaling \$17,185.59 for claim payments from the workers' compensation self-insurance fund for the period ending January 15, 2018; and
 - 9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-05 WITH WHITEFISH ENERGY HOLDINGS, LLC. OF WHITEFISH, MONTANA AND AUTHORIZING PAYMENT OF RETAINAGE
 - 10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-46 WITH DAY MANAGEMENT CORP., DBA DAY WIRELESS SYSTEMS OF MILWAUKIE, OREGON, AND AUTHORIZING PAYMENT OF RETAINAGE

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To approve the consent agenda as presented

Approved: Unanimously

Resolutions 11, 12, and 13

- Resolution 11 presented by Paul Resler, Senior Plant Electrical Engineer at Rocky Reach
 - Electronic controllers on A1 and A2 exciters are currently obsolete
 - Basler has developed a retrofit kit to bring the controllers up to their current standards
 - Basler is the only manufacturer that can provide an update for this system, as other manufacturers do not have the ability to interface with proprietary components of the system
 - 11. A RESOLUTION DECLARING BASLER ELECTRIC COMPANY OF HIGHLAND, IL AS THE SOLE SOURCE SUPPLIER OF EXCITER REPLACEMENT FOR CHELAN FALLS HYDRO
- Resolution 12 presented by Brett Bickford, Director of Engineering and Project Management
 - Determined that in order to add a high-lift system we would need to replace the thrust runners
 - The high-lift system provides lubrication to the unit and improves worker safety
 - 12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER #5 TO CONTRACT 16-60 WITH ANDRITZ HYDRO FOR NEW THRUST RUNNERS
- Resolution 13 presented by Brett Bickford, Director of Engineering and Project Management
 - In follow up to the presentation given on December 4, 2017, this resolution captures the costs related to additional repairs to the two bridge cranes at Rocky Reach
 - 13. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 8 THROUGH 12 AND APPROVING FIELD WORK ORDER NO. 13 TO BID 15-65

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To approve Resolutions 11, 12, and 13 as presented

Approved: Unanimously

Manager Items

- Suzanne Hartman, Manager of Communications, invited Commissioners to the Friday, February 2 Wenatchee Wild game at 7:00pm at the Town Toyota Center; February 2 is PUD Night at the Wild
- Michelle Smith, Director of License Compliance, reminded Commissioners that we'll be closing Old Mill Park Boat Launch April 2 – May 18 to repave the parking lot; public outreach has been completed
- Steve Wright, General Manager, announced that the Alcoa Public Working Group will meet on January 31 at 5:30pm at the Confluence Technology Center; the purpose of the meeting is to gather community feedback so we are prepared to respond to Alcoa's upcoming decision

Commission Items

- Commissioner Smith thanked staff for the community survey regarding the Planet Walk in Chelan's Riverwalk Park
- Commissioners expressed interest in participating in New Employee Orientation
- Commissioner McKenna will serve as the commissioner champion to the Human Performance Improvement project implementation
- Current association appointments were provided to Commissioners; Commissioners will share their interest with Commissioner Bolz

- Lisa has researched hotel options for WPUA meetings in Olympia; there are two options and Commissioners will let Lisa know their preference
- Commissioner Bolz will forward the Energy Northwest candidates for Executive Board and will take feedback to their meeting in April
- To accommodate the request to address the May 21 Board meeting conflict with NWPPA, the staff recommends moving the May 7 Board meeting to April 30 and the May 21 meeting to May 14; the Commissioners will consider the recommendation at their next meeting
- To accommodate a busy Commission Board meeting on February 5, it is recommended that the meeting start at 9:00am

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

Move to change the start time of the Regular Commission Meeting on February 5, 2018 to 9:00am at the Chelan County PUD Headquarters Board Room

Approved: Unanimously

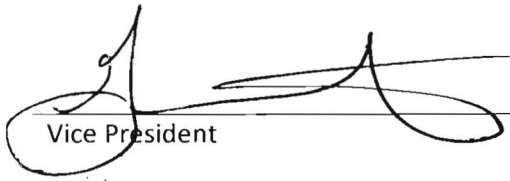
Follow Up on Delegation of Action Items

- From 1/8/18:
 - Michelle Smith - Orondo River Park items will be reported on in April
 - Jeff Smith – Add Electrical Load Growth presentation to the next Tri-Commission meeting agenda – will be added
 - Steve Wright – Consider CPO winner presentations at Board meeting – completed
 - Rebekah Garfein – Update January 22, 2018 Board meeting to morning session only – complete
 - Erik Wahlquist, Rebekah Garfein & Board – Review and update Commissioner Trade Association assignments for 2018 – in process
 - Steve Wright & Board– Consider moving May 21, 2018 Board meeting due to conflict with NWPPA Annual Convention – in process

Delegation of Action Items

- Add to Board Workshop agenda: Review of Board Balanced Scorecard targets


There being no other business, the meeting adjourned at 11:18am.



 Vice President



 Commissioner



 President



 Secretary



 Commissioner