

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington March 5, 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 March 5, 2018, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Dennis Bolz, President
Garry Arseneault
Ann Congdon (by phone)
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: Michael Chambers
Paul Hedeem
Rosemary Knapp
Linda Sarratt
Mike Cushman
Mary Cushman
Kevin Powers
Sue Ozburn
Betsy Steele
Alex Steele

Call To Order

- President Bolz called the meeting to order at 10:05am

Pledge of Allegiance and Safety Minute

- Ian Adams, Hatchery Maintenance and Operations Coordinator, led the pledge and provided a safety minute on eye safety and the dangers of blue light

Agenda

- The agenda was approved as presented

Rocky Reach Pacific Lamprey Passage

(see www.chelanpud.org for presentation)

- Steve Hemstrom, Senior Fisheries Biologist, and Alene Underwood, Fish & Wildlife Manager, presented good news on Adult Pacific Lamprey Passage at Rocky Reach
- Fishway modifications were reviewed; the 2016-2017 audit showed 98% passage rate for adult Pacific lamprey at Rocky Reach
- Benefits of lamprey include food for other species, bringing nutrients from the ocean, and cultural importance to tribes

Carbon Information and Legislative Update

(see www.chelanpud.org for presentation)

- Tracy Yount, Director of External Affairs, and Shaun Seaman, Government/External Affairs Program Manager, provided a legislative update
- Tracy reviewed an update on carbon legislation and the status of various bills; the Governor's carbon tax has been withdrawn for lack of support
 - Work is now being focused on a 100% clean energy standard and an initiative
 - A replacement carbon study bill is supported to study impacts over the next year
- Shaun gave an update on the bills that we have been tracking; this week's focus is the supplemental budget

Customer Information System (CIS) Project Update

(see www.chelanpud.org for presentation)

- Mark O'Bryan, Project Manager, reviewed the project background, current project status, updated budget, and tentative project schedule
- Nearing the finalization of contracts; anticipate bringing those back to the Board at the next meeting

Management of Large Load Requests

(see www.chelanpud.org for presentation)

- Steve Wright, General Manager, reviewed the management structure that has been put in place to address large load requests and potential impacts to the 2018 District Performance Plan
- Lindsey Mohns, Business Manager, will lead the team

Manager Items

- John Stoll, Managing Director of Customer Utilities
 - Gave an update on the Peshastin/Dryden Wastewater Treatment Plant; we have received confirmation from the Department of Ecology that a grant for slightly over \$2 million has been approved
 - Noted a request from the Mayor of Chelan for a meeting to discuss advanced metering infrastructure; that meeting will be held on Wednesday, March 14, 5:30pm at the Chelan Fire Hall to share information and answer questions for the City Council

Commissioner Items

- Commissioners McKenna and Arseneault expressed their appreciation for the opportunity to participate in recent safety meetings
- Commissioners that attended the APPA Legislative Rally in Washington DC last week indicated it went well and was well-organized

Recessed at 12:00pm and Reconvened at 1:00pm

Public Comment – Eagle Creek Road Residents

- Kevin Powers addressed Commissioners on behalf of the Eagle Creek Road homeowners; 134 homes on Eagle Creek Road are represented by the group
- The group outlined their goals:
 - Desired outcome is to bring fiber services to Eagle Creek Road residents
 - Reconsider adding Eagle Creek Road to the initial PPB fiber expansion
 - Request inclusion in periodic reviews in future planning activities and processes related to fiber build-out
 - Develop a working relationship with the PUD
- Kevin Powers reviewed background information on discussions around fiber services
- Betsy Steele reviewed current alternatives available to Eagle Creek Road residents and how they compare to services available elsewhere; Sue Ozburn noted that Sky-Fi is not an option due to the canyon topography

- Residents presented a signed petition indicating their desire to have fiber services installed
- Mike Coleman, Managing Director of Fiber and Telecom, noted the national issue of unserved and underserved rural broadband access; Mike also restated the fiber review process
 - We continue to explore alternative technologies, looking for something that would supply a reasonable service at a reasonable price

Commissioner Congdon departed at this time.

Consent Agenda

- President Bolz presented the consent agenda which included the following items:
 - Minutes of the February 5, 2018 Regular Meeting
 - Vouchers: Accounts Payable Summary Report dated February 28, 2018:
 - Vouchers totaling \$7,712,693.19;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 14, 2018 through February 27, 2018 in the amount of \$18,980.12;
 - Approval of the net Payrolls, Warrant Nos. 235811 through 235833 and Advice Nos. 648780 through 649512 for the pay period ending 02/18/2018 in the amount of \$1,838,750.23; and
 - Approval of Warrant Nos. 24177 through 24203 totaling \$6,745.38 for claim payments from the workers' compensation self-insurance fund for the period ending February 26, 2018.

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To approve the consent agenda as presented

Approved: Unanimously

Resolutions 10 and 11

- Alene Underwood, Fish & Wildlife Manager, presented Resolution 10
 - Alene explained the amendment was initially assessed as a zero-cost amendment; internal audit controls determined the effect of this amendment over the remaining 45 years of the contract would incur costs in excess of the delegated limit
 - Alene reviewed steps that have been put in place to prevent this issue in the future
 - 10. A RESOLUTION RATIFYING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 11-157) WITH OKANAGAN NATION AQUATIC ENTERPRISES LTD. AND PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY FOR SOCKEYE HATCHERY COMPENSATION RELATED TO THE ROCKY REACH AND ROCK ISLAND HYDROELECTRIC PROJECTS

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Smith

To approve Resolution 10 as presented

Approved: Unanimously

- Lyle Moore, Customer Service Engineering Supervisor, presented Resolution 11
 - Lyle reviewed the reasons for rejecting the bid from American Wire and portions of the Anixter bid, the efforts around insuring quality materials, and how bid requirements are communicated to bidders
 - 11. A RESOLUTION REJECTING THE BID OF AMERICAN WIRE GROUP, INC. (SCHEDULES A-C) AND ANIXTER INC. (SCHEDULE A) AND ACCEPTING THE BID OF GENERAL PACIFIC, INC. (SCHEDULE A) AND

ANIXTER INC. (SCHEDULES B AND C) (BID 17-90) FOR THE SUPPLY OF DISTRIBUTION CABLE AND CONDUCTOR

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To approve Resolution 11 as presented

Approved: Unanimously

Manager Items

- Janet Jaspers, Energy Planning and Trading Manager, and John Wasniewski, Energy Analyst, gave an update on the snow survey conducted last week
 - All three snow survey sites are above 100% of average snow water equivalent; the March 1 Lake Chelan Basin water supply forecast is 101%
 - The next survey will be conducted on April 1
- Mike Coleman, Managing Director of Fiber and Telecom, discussed large loads in relation to fiber capacity
 - Generically, there are no capacity issues with the fiber network
 - Other factors include type of service and service provider – whether existing or new, which may have administrative impacts
 - New service falls under the line extension program

Commission Travel

- Lisa Sanders, Finance Administrative Assistant, reviewed upcoming Commission travel

Follow Up on Delegation of Action Items

- From 2/20/18 – Mike will look at fiber system capacity related to large loads – addressed today
- Steve reviewed the remainder of the items in process from the 2/20/18 meeting

Delegation of Action Items

- Steve will follow up Commissioner Arseneault's request to visit to Skaha Hatchery
- Mike will reach out to the County regarding road work on Eagle Creek Road
- Erik will communicate the effective date of the Voting Rights Act
- Gregg will report on how HDL loads will impact our resource portfolio

Matters of General Business As May Necessarily Come Before the Commission

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

Move to set the following special meetings:

- March 12, 2018 at 5:30pm at Mai Lee Thai, 595 Grant Road, East Wenatchee, for the purpose of a Mid-C Commissioners and General Manager's dinner
- April 12, 2018 at 7:00am at the Confluence Technology Center, 285 Technology Center Way, for the purpose of holding a Strategy Partner meeting
- June 5, 2018, at 1:00pm at the Confluence Technology Center, 285 Technology Center Way, for the purpose of holding a Tri-Commission meeting

Approved: Unanimously

Executive Session

President Bolz convened an executive session at approximately 2:55pm 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 plan the strategy or position to be taken during the course of collective bargaining, as authorized by RCW 42.30.140(4)(b), and 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 a likelihood of increased price, as authorized by RCW 42.30.110(1)(b) for approximately 60 minutes.

Regular Session Reconvened at 3:55pm


- Executive session extended for an additional 35 minutes, until 4:30pm

Regular Session Reconvened at 4:17pm

- President Bolz stated no votes were taken and no decisions were made

There being no other business, the meeting adjourned at 4:17pm.


Vice President


Commissioner


President


Secretary


Commissioner