

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington March 19, 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 19, 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:** Stacy Luckensmeyer  
Jim Richardson  
Allison Williams  
Amanda Lundy  
Gene Sharratt  
Steve King

## Call To Order

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

## Pledge of Allegiance and Safety Minute

- Ana Aguirre, Customer Accounts Specialist, led the pledge and provided a safety minute on home security during vacations

## Agenda

- Resolution 9 was moved to the consent agenda; the agenda was approved as revised

## Cycle of Personal Ownership Winner Recognition

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Steve Wright, General Manager, introduced the February CPO winners
- Dustin Bristow, Chad Paine, Brent Simmons, Kory Countryman, and Eleanour Hunstock were recognized for their contributions to a Chamber-sponsored Careers After School event focused on careers in fiber

## Hydro Research Institute

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Kirk Hudson, Managing Director of Generation and Transmission, and John Yale, Hydro Plant Engineering Manager, presented an update on the Hydro Research Institute project

- Kirk reviewed work done to date and a forthcoming recommendation for further funding through the Public Power Benefit and formation of a Hydro Research Institute
- Kirk noted community partners have collaborated on a research and innovation district including: Wenatchee Valley College, 20/20 Logic, Gene Sharratt, STEM Network, and City of Wenatchee
- Kirk and John reviewed a list of potential members and those interested in data subscriptions
- Supporters in the audience expressed their support and enthusiasm for this project

#### **Update for Load Requests of <5 MW**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Lindsey Mohns, Business Manager, Lyle Moore, Customer Service Engineering Supervisor, and Chad Bowman, Director of Transmission and Compliance, gave an update on high density loads (HDL)
- Reviewed challenges with HDL applications and unauthorized use along with current and proposed tools
- Cost recovery evaluations have revealed potentially higher marginal costs than we currently assess
- Staff recommends a moratorium on computing and data processing loads related to virtual or crypto currency mining on all load sizes

#### **MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

Move to adopt a moratorium on accepting any new electric service applications or further processing any existing electric service applications for proposed computing or data processing loads related to virtual or crypto-currency mining, bitcoin or any similar purpose, whether above 5 MW pursuant to Schedule 4 or, at or below 5 MW pursuant to Schedule 35 or any other schedule. The moratorium would not apply to approved applications that have fully paid all line extension estimates and upfront capital charges. Further, direct staff to prepare an appropriate confirming Resolution for consideration at the next Board meeting. Finally, setting a public hearing on the moratorium at 1:00 pm, May 14, 2018, in Wenatchee as part of the regular commission meeting for further consideration of the moratorium.

Approved: Unanimously

#### **Facilities Plan Update**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Dan Frazier, Director of Shared Services, Randy Cook, TCF Architecture, and Jim Dugan, Parametrix, gave an update on design and placement of hydro facilities and reviewed an alternate project approach
- Reviewed long-term value analysis of new and reused facilities at Rocky Reach and Rock Island
- General Contractor/Construction Manager (GC/CM) is an alternative project delivery process allowed under RCW 39.10
- We can choose not to go forward with GC/CM after State approval if we decide it's not best for us; there are also off-ramps built into the process where we can revert back to a design/bid/build process
- The Board indicated their support of exploring the GC/CM project delivery method; Resolution 11 will not be acted upon today

#### **Recessed at 12:09pm and Reconvened at 1:02pm**

#### **10-Year Anniversary Recognition**

- President Bolz recognized Erik Wahlquist for 10 years of service

#### **Consent Agenda**

- President Bolz presented the consent agenda which included the following items:

- Minutes of the February 20, 2018 and March 5, 2018 Regular Meetings and March 12, 2018 Special Meeting
- Vouchers: Accounts Payable Summary Report dated March 14, 2018:
  - Vouchers totaling \$9,559,836.32;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 28, 2018 through March 13, 2018 in the amount of \$27,373.71;
  - Approval of the net Payrolls, Warrant Nos. 235834 through 235859 and Advice Nos. 649513 through 650264 for the pay period ending 03/04/2018 in the amount of \$1,887,302.09; and
  - Approval of Warrant Nos. 24204 through 24275 totaling \$40,002.26 for claim payments from the workers' compensation self-insurance fund for the period ending March 12, 2018.
- 9. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AGREEMENTS WITH ORACLE AMERICA INC. TO ACQUIRE SOFTWARE LICENSES AND SUPPORT, AND BLUE HERON CONSULTING CORPORATION TO PROVIDE IMPLEMENTATION SERVICES FOR THE NEW CUSTOMER INFORMATION SYSTEM AND METER DATA MANAGEMENT SYSTEM (CIS/MDMS) PROJECT, AND AUTHORIZING REVISION OF THE CAPITAL PROJECT BUDGET FOR THE CIS/MDMS PURCHASE AND IMPLEMENTATION

**MOTION**

Moved by: Commissioner Smith  
 Seconded by: Commissioner McKenna  
 To approve the consent agenda as revised  
 Approved: Unanimously

**Resolutions 10**

- Craig Weddle, Supply Chain and Fleet Manager, presented Resolution 10
  - Some existing software and modules will be used to manage portions of contracting and documents; the new software will provide the rest of the functions provided by the current system
  - Preparation of documents and digital workflow routing will be automated, which will create efficiency
    - 10. A RESOLUTION DECLARING CORRIDOR COMPANY, INC. OF WAKEFIELD, MASSACHUSETTS AS THE SOLE SOURCE SUPPLIER OF CM.APP SOFTWARE, AUTHORIZING THE WAIVER OF BIDDING REQUIREMENTS, AND AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO ENTER INTO A CONTRACT WITH CORRIDOR COMPANY, INC.

**MOTION**

Moved by: Commissioner McKenna  
 Seconded by: Commissioner Smith  
 To approve Resolution 10 as presented  
 Approved: Unanimously

**Renewable Growth**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Bryan Bradshaw, Manager of Energy Structuring and Optimization, reviewed the increasing price competitiveness by solar and wind in power markets and how the District is including these energy alternative considerations in how we market our power

**Manager Items**

- Steve Wright, General Manager, gave an update on reliability coordination
  - Peak currently provides reliability coordination; due to anticipated membership changes, we have submitted a revocable notice of withdrawal along with a letter of intent that we may seek reliability services from California Independent System Operator (CAISO)
  - We did note in our intent letter concerns on the governance structure of CAISO

- Ron Slabaugh, Water/Wastewater Manager, gave an update on the Public Power Benefit Upper Valley Regionalization study
  - We expect to receive a draft of the report by the end of this month and a public session during the last two weeks of April
- Michelle Smith, Director of Hydro Licensing and Compliance, and Ryan Baker, Parks Manager, noted the upcoming closure of Chelan Falls Powerhouse Park July 30 through the end of the summer season for erosion control
  - The time-frame was selected to meet requirements for in-water work
  - The erosion in this area has been impacted by high-flow events
- Tracy Yount, Director of External Affairs, and Shaun Seaman, Government/External Affairs Program Manager, provided a legislative update
  - We expect to see a carbon tax initiative
  - There were some bills that did not pass, which we expect may come back in a future session including: 100% clean energy, distributed energy, and pole attachments
  - Bills that were passed that impact the District include: road worker safety, arrest record questions on job applications, wage equality, prevailing wage calculation, Voting Rights Act, bargaining unit representative access to new employees, and a cost of living adjustment to the PERS 1 retirement plan
- Steve Wright, General Manager, will be attending the Mariachi Festival (Pathways to College) this Friday to present two scholarships to this summer's STEM Academy
- Steve Wright also noted that the Electric Vehicle update was removed from this Board agenda due to time constraints and will be brought to the Commissioners next month

#### **Follow Up on Delegation of Action Items**

- From 3/5/18 – Commissioner McKenna would like to be informed of the Skaha Hatchery visit
- From 3/5/18 – Mike Coleman sent an email regarding outreach to the County on Eagle Creek Road work
- From 3/5/18 – Erik Wahlquist has sent out information on the effective date of the Voting Rights Act

#### **Delegation of Action Items**

- Tracy Yount will provide a summary of the carbon tax initiative
- Erik Wahlquist will look into HDL criminal issues; how those would be prosecuted and any civil remedy

#### **Executive Session**

President Bolz convened an executive session at approximately 2:10pm 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 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), to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c), and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 90 minutes.

#### **Regular Session Reconvened at 3:22pm**

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

**MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

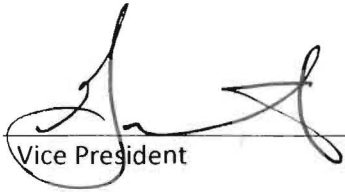
Move to set a special meeting April 13, 2018 at the Port of Quincy, 101 F Street SW, Quincy WA for the purpose of holding a joint meeting with Grant County PUD to receive customer service training, and

Move to reschedule our June 18 and July regular Board meetings as follows:

- Reschedule the Monday, June 18, 2018 regular Board meeting to Monday, June 25, 2018, to begin at 10:00am in the headquarters Board Room
- Reschedule the Monday, July 2, 2018 regular Board meeting to Monday, July 9, 2018, to begin at 10:00am in the headquarters Board Room
- Reschedule the Monday, July 16, 2018 regular Board meeting to Monday, July 23, 2018, to begin at 10:00am in the headquarters Board Room

Approved: Unanimously


There being no other business, the meeting adjourned at 3:25pm.

  
Vice President

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Commissioner

  
President

  
Secretary

  
Commissioner