

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

October 2, 2017

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 October 2, 2017, at the hour of 10:00 a.m., pursuant to proper notice thereof.

Commissioners present were Randy Smith, Garry Arseneault, Dennis Bolz, Ann Congdon and Steve McKenna. In attendance were General Manager Steve Wright, General Counsel Erik Wahlquist and Acting Clerk of the Board Teresa Boushay.

Various Staff were in attendance.

Bob Bauer, Communications and Education Specialist, led the Pledge of Allegiance and provided a safety minute on preparing for upcoming winter travel conditions on the mountain passes.

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

Kelly Boyd, Chief Financial Officer, and Debbie Litchfield, Treasurer, reported on Fitch Ratings recently affirmed rating of Chelan PUD's "AA+ Stable"

2018 – 2022 Draft Business Plans – (See www.chelanpud.org for the presentation). Steve Wright, General Manager, and Kelly Boyd, Chief Financial Officer, reviewed the detailed business plans for the next five years while also taking a look at projected financial results through 2027 as part of the District's business planning. Goals for 2018-2022 will guide staff in developing next year's budget. Key initiatives in the next five years, proposed in the plans, include substantially higher than normal refurbishment of hydro turbines at Rocky Reach and Rock Island dams; new systems to provide customers better information; and investments to meet load growth that has roughly doubled in the last 18 months. Senior managers also outlined the five-year look for each of the PUD's eight business units, that roll up into the District plan

The meeting recessed at 12:07 p.m. and reconvened at 1:02 p.m.

President Smith presented the consent agenda, which consisted of the minutes of September 18, 2017 Regular Meeting, September 19 Special Session, and September 19 Board Workshop.

The Auditor's memorandum dated September 27, 2017 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 September 27, 2017:

1. Vouchers totaling \$14,088,403.08;

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2. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 13, 2017 through September 26, 2017 in the amount of \$32,421.56.
3. Approval of the net Payrolls, Warrant Nos. 235533 through 235560 and Advice Nos. 640585 through 641349 for the pay period ending 9/17/2017 in the amount of \$1,833,555.06; and
4. Approval of Warrant Nos. 23752 through 23788 totaling \$11,991.63 for claim payments from the workers' compensation self-insurance fund for the period ending September 25, 2017.

A motion was made by Commissioner Congdon, seconded by Commissioner Arseneault and passed adopting the Consent Agenda, consisting of the minutes of the September 18, 2017 Regular Meeting, the September 19, 2017 Special Session, the September 19, 2017 Board Workshop, and the above listed vouchers.

Commissioners considered the following resolution, following a presentation by David Lodge, District's Project Manager, and Bob Shane, Director – Networks Operations (See www.chelanpud.org for the presentation):

RESOLUTION 17-14179 APPROVING A REQUEST FOR PROPOSAL FOR
DIGITAL MOBILE RADIO SYSTEM AND AUTHORIZING THE GENERAL
MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED
PROPOSALS FOR SAID PROJECT

A motion was made by Commissioner McKenna, seconded by Commissioner Bolz and passed to adopt Resolution No. 17-14179, which is on file in the office of the District.

Kimberly Craig, Public Information Officer, Invited customers and employees to celebrate Public Power Week from Oct. 2 – 7

Casey Hall, District's Project Manager, informed the Board about a shoreline repair project currently underway at Walla Walla Point Park, near a popular swimming area.

General Manager Steve Wright, mentioned he is scheduled to testify on power and reliability issues in front of the House sub-committee on Energy in Washington DC on October 3 on behalf of the National Hydropower Association (NHA), which was rescheduled from September 12 due to Hurricane Irma. Additionally, there is an Electric Vehicle event being scheduled soon in Wenatchee with Pacific Northwest National Labs (PNNL).

Under Commissioner's items, Commissioners Smith and Congdon attended WPUDA Water workshop held Sept 27-29 in Leavenworth. Commissioner McKenna recently attended a Regional Water Committee meeting in Cashmere, where a draft report was reviewed. Lisa Sanders, Finance Administrative Assistant, reviewed upcoming Commissioner travel arrangements.

Walkley Scholarship Drawing – Each year Commissioners submit a nomination to the Washington Public Utility Association for the Walkley Educational Scholarship. Each nominee has to be a high school senior and the son or daughter of Chelan County PUD employee. This year’s nominee is Jaeda Vaughn, daughter of Debra Vaughn.

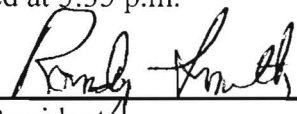
General Manager Steve Wright followed-up on Delegation of Action Items from Previous Board Meetings.

Steve Wright reported a recent letter from the Peshastin Water Board has been addressed. He informed the Board that Rebekah Grafein has been hired as the Clerk of the Board, starting next Monday. He thanked Teresa Boushay, who has been filling the role on an interim basis for three months, for her work and for taking full accountability of the position. Additionally, he reported on a petition from 37 members of the Leavenworth community on their support of the proposed transmission line route for the Bavarian substation.

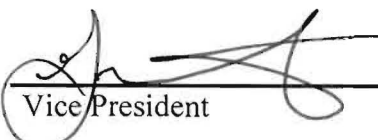
President Smith convened an executive session at approximately 1:57 p.m. following a 5-minute break to discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 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) and to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g).

Reconvening the meeting into regular session at approximately 3:34 p.m., President Smith stated no actions and no votes were taken.

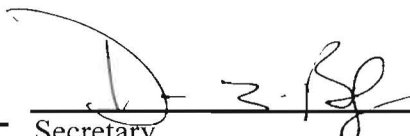
There being no other business, the meeting adjourned at 3:35 p.m.



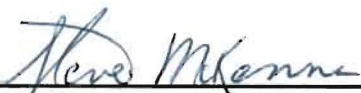
President



Vice President



Secretary



Commissioner

Commissioner