

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington March 2, 2020

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 2, 2020, at the hour of 10:00 am, pursuant to proper notice thereof.

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

Staff present: Steve Wright, General Manager
Katie Yount, Acting General Counsel
Rebekah Garfein, Clerk of the Board
Various staff

Others in attendance: Chuck Follis

Call To Order

- Vice President McKenna called the meeting to order at 10:06am

Pledge of Allegiance and Human Performance Improvement (HPI) Minute

(see Chelan PUD website for presentation)

- Tiffanie Davis, Human Resources Analyst, led the pledge and presented information on learning teams and how they are used

Agenda

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

Wholesale Energy Trading Resolution Update

(see Chelan PUD website for presentation)

- Jayme Mitchell, Senior Risk Analyst, and Mike Bradshaw, Term Power Trader, gave an update on the proposed Whole Energy Trading Resolution, which addresses current market environment conditions
 - Separates fixed-price transactions from index-price transactions recognizing their different characteristics
 - Provides for more conservative limits, mitigating the risk of purchasing at high market prices while accepting more revenue volatility
 - Allows for modeling choices to be made at the Power Risk Management Committee level providing flexibility to determine the best approach for the type of analysis

Northwest Resource Adequacy Program

(see Chelan PUD website for presentation)

- Gregg Carrington, Managing Director of Energy Resources, gave an update on the development of the Northwest Power Pool's Resource Adequacy Program
- The 18 largest utilities are helping design the Resource Adequacy (RA) Program; the RA program will be voluntary to join, but will require a commitment to the program once joined
 - The group is working on program design objectives
- What does this mean for Chelan PUD?
 - We are in good shape to be able to serve load, although there may be times when we need to make market purchases; we also may become more conservative in the future

Legislative Update

(see Chelan PUD website for presentation)

- Tracy Yount, Director of External Affairs, and Shaun Seaman, Government/External Affairs Program Manager, gave an update on legislative session activities
- Reviewed utility input and concerns with the proposed oil-free turbine legislation; consensus is a preference for the tax parity bill from last session
- As budgets are considered, the Department of Health has requested \$100M to address Coronavirus
- Reviewed other bills that would have impact on the District

Manager Items

- Kirk Hudson, Managing Director of Generation and Transmission, gave an update on the Puget Sound Energy McKenzie Beverly transmission line repair
 - Repairs to the line were completed on February 21, restoring our back-feed capabilities for any outages near Leavenworth, Plain, or Lake Wenatchee
- Steve Wright, General Manager, updated Commissioners on several items
 - Stehekin - outreach in Stehekin has been scheduled for March 26; a second outreach trip will be scheduled in May or June
 - California Independent System Operator (CAISO) proceedings on governance
 - The District joined with the Public Generating Pool last week to submit comments on what fixes would need to be put in place to mitigate governance risks for those outside of California; there will be a public hearing in the next 2 weeks
 - Coronavirus – asking staff to avoid all non-essential travel in March; we provide an essential service and a significant problem could undermine our ability to carry out essential duties

Commission Items

- Mid-C Commissioners and General Managers Meeting

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To set a special meeting on Monday, March 9, 2020 @ 5:30 pm at Wild Rivers Sports Bar & Grill, 560 Valley Mall Parkway, East Wenatchee for the purpose of holding a Mid-C General Managers and Commissioners Meeting

Approved: Unanimously

- Commissioner Smith reported on his recent attendance at the American Public Power Association (APPA) Legislative Rally and noted increased interest in the issue of the Snake River Dams

- General Manager Steve Wright was also in attendance and noted that the US Entity has scheduled another round of Columbia River Treaty negotiations with Canada in March; this could be a critical meeting in terms of overall negotiations

Commission Travel

- Lisa Sanders, Legal Administrative Assistant, reviewed upcoming Commissioner travel

Follow Up on Delegation of Action Items from the 2/6/20 Board Meeting

- Justin Erickson will consider surplus County properties and determine if any would be viable for substations with specific emphasis on sites near Malaga

Recessed at 11:50am and Reconvened at 1:02pm

Consent Agenda

(see Chelan PUD website for resolutions)

Vice President McKenna presented the consent agenda, which included the following items:

- Minutes of the February 18, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated February 26, 2020:
 - Vouchers totaling \$15,310,856.22;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 12, 2020 through February 25, 2020 in the amount of \$9,754.88
 - Approval of the net Payroll, Warrant Nos. 236924 through 236946 and Advice Nos. 689341 through 690106 for the pay period ending 02/16/2020 in the amount of \$2,077,466.18
 - Approval of Warrant Nos. 26454 through 26493 totaling \$26,688.64 for claim payments from the workers' compensation self-insurance fund for the period ending February 24, 2020
- Resolution 8. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-53 WITH GOLDEN HARVEST, INC. OF BURLINGTON, WA AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 9. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. 1 TO CONTRACT NO. 18-54 WITH BRIVO CORP. TO PROVIDE MECHANICAL SERVICES DOCK CREW

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To accept the consent agenda as revised to include Resolution 9

Approved: Unanimously

Resolution 10

(see Chelan PUD website for resolution)

- Brett Bickford, Director of Engineering and Project Management, reviewed Resolution 10
- The cause of the concrete overstress is related to slow growth of concrete due to alkali silica reaction; mitigation will allow for further growth and contraction of the concrete and strengthen the pier
- Resolution 10. A RESOLUTION APPROVING ADVERTISEMENT OF BIDS FOR ROCK ISLAND DAM SPILLWAY PIER 1 REPAIRS (BID NO. 19-83) AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

Resolution 11

(see Chelan PUD website for resolution)

- Brett Bickford, Director of Engineering and Project Management, reviewed Resolution 11

- The process specified in the bid is not readily available to manufacturers after initial manufacturing
- Resolution 11. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR ROCKY REACH C2 – C7 WICKET GATE SERVOMOTOR REFURBISHMENT (BID NO. 20-05) AND AUTHORIZING THE ROCKY REACH C2 – C7 WICKET GATE SERVOMOTOR REFURBISHMENT BE OBTAINED BY NEGOTIATION

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Arseneault

To accept Resolutions 10 and 11 as presented

Approved: Unanimously

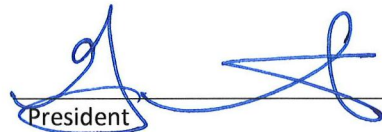
Additional Public Comment

- Charles Follis addressed the Commissioners to express a property concern
- Shared concerns about the shed that was erected within his view, adjustment needed to boundary line that crosses his front yard, and a proposed map that shows an easement for pedestrian access

Delegation of Action Items

- Erik Wahlquist will follow up with Charles Follis on his property concern

There being no other business, the meeting adjourned at 1:26pm.



 President



 Vice President



 Secretary



 Commissioner



 Commissioner