

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington March 16, 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 16, 2020, at the hour of 10:00 am, pursuant to proper notice thereof.

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

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

## **Call To Order**

- President Arseneault called the meeting to order at 10:03am

## **Pledge of Allegiance**

(see Chelan PUD website for presentation)

- Erik Wahlquist, General Counsel, led the pledge

## **Agenda**

- The agenda was approved as presented

## **Cycle of Personal Ownership Winner Recognition**

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized January and February winners Kathy Cowin, Payroll Specialist, and Jennifer Dixon, Payroll Program Manager
  - Jennifer Dixon was unable to attend the meeting due to emerging issues related to COVID19

## **Business Intelligence and Data Analytics**

(see Chelan PUD website for presentation)

- Kelly Boyd, Chief Financial and Risk Officer, introduced Curtis Cole, Manager of Business Intelligence and Data Analytics, Peter Vanney, Data Analyst II, and Alex Smith, Manager of Software and Data Engineering, who provided information on the District's business intelligence and data analytics work
- Kelly recognized Scott Taylor's contributions; he was the original trailblazer years ago with a vision for the future
- Curtis reviewed the maturity model
- Peter and Alex showed examples of how data is being used today

## **2020 Bond Issuance**

(see Chelan PUD website for presentation)

- Heather Irelan, Lead Treasury Analyst, provided an update on a potential bond issuance in 2020
- This bond issuance supports the District's debt philosophy and strategic planning priority to sustain excellent financial resiliency while mitigating the risk of large rate increases
- This effort optimizes our portfolio to achieve the lowest interest cost for the District
- Commissioners will have a go/no-go decision on March 30

## **Major Capital Projects for Parks**

(see Chelan PUD website for presentation)

- Ryan Baker, Parks Manager, and Kyle Endelman, Parks Superintendent, gave an update on docks and erosion control capital projects
- New dock design will achieve a 30+ year lifespan; dock spending will peak in the next couple years
- Erosion control spending will peak in the next 6 years then taper off dramatically
- Erosion control along Riverwalk Park in Chelan will also be an opportunity to potentially create a swim area
- Highlighted recently completed projects and upcoming work including a partnership with the City of Chelan and Lake Chelan Trail Alliance on the Reach 1 trail extension

## **Legislative Update**

(see Chelan PUD website for presentation)

- Shaun Seaman, Government / External Affairs Program Manager, provided a summary of the legislative session, which ended March 12
- Neither hydro bill we were tracking passed; thanks to Representative Goehner and Senator Hawkins on all their work on those bills
- Shaun also reviewed the status of other bills we had been tracking

## **Consent Agenda**

(see Chelan PUD website for resolutions)

President Arseneault presented the consent agenda, which included the following items:

- Minutes of the March 2, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated March 11, 2020:
  - Vouchers totaling \$8,340,684.95;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 26, 2020 through March 10, 2020 in the amount of \$14,486.15;
  - Approval of the net Payroll, Warrant Nos. 236947 through 236966 and Advice Nos. 690107 through 690873 for the pay period ending 03/01/2020 in the amount of \$2,123,697.91;
  - Approval of Warrant Nos. 26494 through 26538 totaling \$9,272.86 for claim payments from the workers' compensation self-insurance fund for the period ending March 9, 2020.
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-31 WITH KRCI LLC OF EAST WENATCHEE AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 10, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-37 WITH MICHELS CORPORATION, POWER DIVISION AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 12. A RESOLUTION RATIFYING CHANGE ORDER NOS. 1 THROUGH 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 17-50 WITH HARRIS CORPORATION OF DELAWARE AND AUTHORIZING PAYMENT OF RETAINAGE

- Resolution 13. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 18-64 WITH STRIDER CONSTRUCTION, INC. OF BELLINGHAM, WA AND AUTHORIZING PAYMENT OF RETAINAGE

**MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To accept the consent agenda as presented

Approved: Unanimously

**Resolution 15**

(see Chelan PUD website for resolution)

- Lindsey Mohns, Customer Utilities Business Manager, and Mark Mullins, Director of Enterprise Planning and Risk Management, reviewed Resolution 15
- This is a continuation of the strategic plan directive that business lines move toward sustainability
- Some metrics will take about 10 years to reach sustainability level, so staff recommends 5-year interim targets based on the October 31, 2019 financial statements
- Resolution 15. A RESOLUTION RESTATING AND REVISING LONG RANGE FINANCIAL POLICIES AND TARGETS FOR THE WATER, WASTEWATER, FIBER & TELECOM, AND INTEGRATED ELECTRIC BUSINESS LINES

**Resolution 16**

(see Chelan PUD website for resolution)

- Jayme Mitchell, Senior Risk Analyst, and Mike Bradshaw, Term Power Trader, reviewed Resolution 16
- Resolution 16. A RESOLUTION RESCINDING AND REPLACING RESOLUTION NO. 11-13687 AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO TRANSACTIONS FOR THE PURCHASE AND SALE OF ELECTRIC ENERGY AND CAPACITY INCLUDING ENVIRONMENTAL ATTRIBUTES WITHIN DEFINED CRITERIA

**Recessed at 11:54am and Reconvened at 1:03pm**

**Resolution 14**

(see Chelan PUD website for resolution)

- Chad Rissman, Director of District Asset Management, reviewed Resolution 14
- Transformers are critical components to new customers and for distribution transformer failure replacement
- The challenge is that these look more like a commodity; the District purchases about 50 different types of transformers, but uses about 6 types most commonly, which cost about \$1,000 each
- Removed all non-required specifications to assist in receiving competitive bids
- Resolution 14. A RESOLUTION REJECTING BIDS, AND ACCEPTING THE BID OF ELECTRIC RESEARCH & MANUFACTURING COOPERATIVE OF DYERSBURG, TENNESSEE (BID 19-74) FOR BID PRICE SCHEDULE A AND C, AND REJECTING ALL BIDS AND AUTHORIZING THE 2020 SUPPLY OF PADMOUNT AND OVERHEAD DISTRIBUTION TRANSFORMERS BE OBTAINED BY NEGOTIATION FOR BID PRICE SCHEDULE B

**MOTION**

Moved by: Commissioner Bolz

Seconded by: Commissioner Smith

To accept Resolutions 14, 15, and 16 as presented

Approved: Unanimously

**Manager Items**

- Justin Erickson, Managing Director of District Services, gave updates on several items

- Orondo River Park – executed an agreement with the Regional Port Authority for one year to cost-share Orondo River Park operations costs at 50%, up to \$30k
  - The Regional Port Authority has gone through a lot of change recently and may request an additional year to consider all their options
- Proposal from Chelan Historic Downtown Association to repurpose old Woodin Avenue Bridge lampposts in Riverwalk Park
  - The lights would be functioning and the Association will cover all costs
- Parks response to COVID19 – this is a fluid situation
  - Facilities that have been closed for the winter will remain closed; those that have been open, have remained open for now
  - Anticipate closing play structures and delaying the opening of Beebe Bridge Park
  - The District will follow all state guidelines and consult with local health professionals as needed
  - Commissioners provided feedback on parks management during the COVID19 outbreak
- Steve Wright, General Manager, gave several updates
  - District’s COVID19 response
    - We are working this morning on social distancing as much as possible; it is one of the most effective things we can do
    - The desk and area will be cleaned if any employee goes home or stays home for any illness
    - We are working to identify more high-risk employees and how we may respond if a co-worker is presumptive or confirmed positive
    - Staff is reviewing policies on payments or delayed payments; we will utilize the programs we have in place for customer assistance, as appropriate
    - We are actively tracking the Fiber usage across the District to determine if we have any congestion; there are no current issues, but Commissioners will be informed if that changes
    - Staff is delaying maintenance work near healthcare facilities to eliminate any risk of power interruption
    - Monitoring federal legislation – the House passed a relief bill over the weekend which could have significant ramifications for us
  - Shared staff’s recommendation that the outreach trip to Stehekin planned for March 26 be postponed; Commissioners concurred
  - Public Power Benefit (PPB) Program
    - Working on a proposed methodology to look back at past performance and ahead at projected financials to inform Commissioners for use when setting the PPB funding level
    - Commissioner Bolz suggested PPB funding be considered for trail and recognition of cultural sites near the Wenatchee River

**Commission Items**

- Commissioner Smith noted the public disclosure statement has undergone changes and was a challenge to complete; he urged his fellow Commissioners to start early on the completion of the form

**Follow Up on Delegation of Action Items from the 3/2/20 Board Meeting**

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

**Delegation of Action Items**

- Kelly Boyd will follow up with Commissioner Arseneault on zero coupon bonds and how those might work for us in the future
- Justin Erickson will report back to Commissioners on a potential future swim location in Chelan
- Justin Erickson will notify Commissioners of the Chelan Reach 1 trail extension grand opening

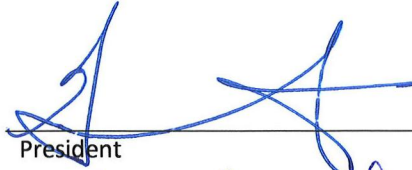
**Executive Session**

President Arseneault convened an executive session at approximately 1:57pm 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) and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 30 minutes.

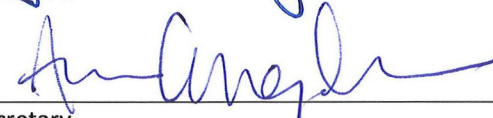
**Regular Session Reconvened at 2:15pm**

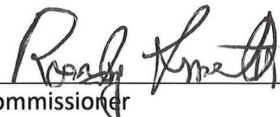
President Arseneault stated no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting adjourned at 2:15pm.

  
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President

  
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Vice President

  
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Secretary

  
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Commissioner

  
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Commissioner