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

March 20, 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 March 20, 2017, at the hour of 10:00 a.m., pursuant to proper notice thereof.

Commissioners present were Randy Smith, Garry Arseneault, Ann Congdon and Steve McKenna. Commissioner Dennis Bolz was excused. In attendance were General Manager Steve Wright, General Counsel Erik Wahlquist and Clerk of the Board Sheila Salmon.


Various Staff were also in attendance.

Patty Wachtel, Workers Compensation Manager, led the Pledge of Allegiance and provided a safety minute.

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

Mike Travers of Chelan asked Commissioners to consider undergrounding lines in Chelan.

Chelan and Leavenworth Substation Follow-up – John Stoll, Managing Director of Customer Utilities Gary Rice, Project Manager presented the Chelan and Leavenworth Substation Property Planning update. (See www.chelanpud.org for the presentation) Commissioners chose a preferred alternative for building a new electric substation to serve Leavenworth on land between Chumstick Highway and Titus Road owned by the MEND organization. For the new Chelan-area substation, Commissioners agreed with recommendations from staff and a customer advisory group to remove three possible locations from further consideration due to cost and aesthetic issues. The focus will shift to finding a suitable location in an area with fewer impacts on neighbors and closer to where the load is located. Commissioners affirmed staff’s plan to take time for another look at areas with less impact on neighbors from necessary high- and low-voltage power lines following comments made at the March 6, 2017 board meeting and at a meeting of the community focus group on February 22, 2017. Several Chelan community members at Monday’s board meeting agreed with the Commission’s decision to take another look at a location that is closer to where the load currently is located is the best path forward.

Strategic Facilities Plan – Dan Frazier, Share Services Director, and TCF Architecture consultant presented the Long Range Facilities Plan Process, Findings and Next Steps. (See www.chelanpud.org for the presentation) Commissioners reviewed a draft strategic facilities plan that covered most of the buildings the PUD owns. The plan suggests that investments in new facilities could enhance the customer experience while producing long-term benefits for PUD.
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customer-owners through increased PUD employee productivity and reduced operation and maintenance costs.

The meeting recessed at 12:00 p.m. and reconvened at 1:00 p.m.

Chelan Falls Park Hang Gliding / Paragliding Agreement – Commissioners were briefed on a new agreement between the District and hang gliders and paragliders flying from the top of the Chelan Butte to use Chelan Falls Park as a primary landing zone. Terms of the agreement include a requirement for the gliders to install an informational kiosk at the park; improve signage at the launch site; and provide an insurance certificate naming Chelan PUD as an additional insured. Rich Has was in attendance to represent US Hanging Gliding Association.

Fire Risk Assessment Study – Steve Wickel, Transmission Engineering Manager, provided the Wildfire Risk Assessment presentation along with staff from HDR Consultants. (see www.chelanpud.org for the presentation). Staff reported they plan to attend pre-fire season meeting, are in close coordination with local fire agencies, monitor IFPL and Red Flag warnings daily, manage vegetation and paint and grub poles.

Strategic Facilities Planning (cont.) - The analysis recommends plans to: build a new, combined headquarters and operations center at a location north of the Wenatchee River and sell existing, duplicative PUD properties; provide a combination of new construction and renovated structures at Rock Island and Rocky Reach Dams; the capital investments are estimated at $114 million for the combined headquarters and operations center; $36 million for Rock Island Dam and $35 million for Rocky Reach. These estimates are preliminary as no formal engineering and design work has been performed. Analysis done so far supports performing more detailed designs to refine plans and cost estimates. The Commission will consider directing staff to take the next steps of creating detailed engineering, design and financing actions to pursue the plan. Treasurer Debbie Litchfield confirmed the feasibility of the Commissioners’ suggestion to create a financial reserve supporting implementation of a strategic facilities plan. Commissioners will review the proposal again at the April 3, 2017 meeting and take public comment.

President Smith presented the consent agenda which consisted of the minutes of the March 6, 2017 for approval.

The Auditor’s memorandum dated March 14, 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 March 14, 2017:

1. Vouchers totaling $13,717,509.48;

2. Approval of Customer Deposit Returns and Conservation Incentive payments dated
March 14, 2017 in the amount of $18,963.96;

3. Approval of the net Payrolls, Warrant Nos. 235085 through 235110 and Advice Nos. 629945 through 630681 for the pay period ending 3/5/2017 in the amount of $1,759,874.38;


A motion was made by Commissioner Congdon, seconded by Commissioner Arseneault and passed adopting the Consent Agenda, consisting of the minutes of March 6, 2017 and the above listed vouchers, which are on file in the offices of the District.

Commissioners considered the following resolutions:

RESOLUTION NO. 17-14124 RESTATING AND REVISING LONG RANGE FINANCIAL POLICIES FOR THE DISTRICT WHICH AMENDS AND SUPERSEDES THE PRIOR RESOLUTIONS PERTAINING TO SUCH MATTERS, INCLUDING RESOLUTION NOS. 10-13555, 11-13616 AND 14-13878

RESOLUTION NO. 17-14125 PROVIDING NOTICE OF THE ESTIMATED BILLINGS EXPECTED FROM THE PUBLIC EMPLOYEES RETIREMENT SYSTEM DUE TO THE ACCUMULATION BY DISTRICT EMPLOYEES OF THEIR PERSONAL LEAVE AND NON RECURRING EARNINGS

A motion was made by Commissioner McKenna, seconded by Commissioner Arseneault and passed approving Resolution Nos. 17-14124 and 17-14125 which are on file in the offices of the District.

Lisa Sanders, Finance Administrative Assistant, reviewed upcoming Commissioner travel arrangements.

Manager Items Included:

- Water Wastewater rate increase will go into effect on April 1, 2017;
- Automated Metering project will be presented to Commissioners on April 3, 2017;
- Becky Keating reported Lake Chelan level is on target; and
- Bill Christman reported on the District Power Engineering program - 2 power engineering students from Washington State University job shadowed with staff and provided a report at the end of the practicum week.
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General Manager Steve Wright followed-up on Delegation of Action Items from Previous Board Meeting and Delegation of Action items from this meeting.

President Smith convened an executive session at 3:08 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) and to consider matters affecting national security, as authorized by RCW 42.30.110(1)(a) and to review the performance of a public employee, as authorize by RCW 42.30.110(1)(g) for approximately 30 minutes.

Reconvening the meeting into regular session at 3:38 p.m., President Smith stated no actions and no votes were taken.

There being no other business, the meeting adjourned at 3:38 p.m.

President

Vice President

Secretary

Commissioner

Commissioner