

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington April 5, 2021

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 April 5, 2021, at the hour of 10:00 am, pursuant to proper notice thereof.

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

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

Guest present: Mike Cooney

Call to Order

- President Smith called the meeting to order at 10:08am

Pledge of Allegiance and Safety/HPI Minute

- Pete Johnson, Senior Safety and Health Coordinator, led the pledge and highlighted National Dig Month

Agenda

- Resolutions 10, 11, 12, 13 and 14 were moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized additional February winners Scott Hanson and Glenn Ulrich, Foreman Mechanics

501(c)(3) Waiver of Connection Fees in Support of Affordable Housing

(see Chelan PUD website for presentation)

- John Stoll, Managing Director of Customer Utilities, and Cathy Melton, Customer Service Program Analyst, presented an update on the low-income connection waiver program
- Reviewed current policy and compared PUD policy eligibility to housing trust eligibility levels
- Commissioners are generally supportive with some concerns on qualification management and annual cost

Resource Adequacy Update

(see Chelan PUD website for presentation)

- Robb Davis, Interim Managing Director of Energy Resources, provided an update on resource adequacy

- Reviewed program elements, timeline, governance update including Federal Energy Regulatory Commission (FERC) jurisdiction, next steps, and future considerations
- Discussed governance options and participation options for board, participants, state regulators, and other stakeholders
- Steve Wright participated in a group that proposed 3 principles to the Northwest Power Pool: 1) want to do no harm with a change in governance structure, 2) make sure governance structure will be sustainable, and 3) the governance be set up so that if the Northwest wanted to move to an RTO, it would support that
- Steve thanked Robb for the great job he's done as the Interim Managing Director of Energy Resources

Advanced Meter Infrastructure (AMI) Update

(see Chelan PUD website for presentation)

- John Stoll, Managing Director of Customer Utilities, and Katie Marshall, Senior Technical Project Manager, provided an update on the AMI project
- Reviewed AMI efforts to date, District AMI vision, selected vendor and solution, contract scope, project budget and timeline, communications plan, and next steps
- The selected solution is Itron, meter and software manufacturer, and Anixter, implementation partner
- Project completion is expected in mid-2023

Manager Item

- Erik Wahlquist, General Counsel, provided information on sole source resolutions
 - Reviewed current process that requires board approval on any sole source spending over \$60k
 - The board can choose to handle those resolutions individually or adopt a process or policy that delegates that authority up to a specified threshold
 - Current administrative process meets all requirements to support either option

Recess at 12:02pm, Reconvene at 1:04pm

Commissioner McKenna joined at this time

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the March 15, 2021 Regular Meeting and March 30, 2021 Special Meeting
- Vouchers: Accounts Payable Summary Report dated March 31, 2021:
 - Vouchers totaling \$21,464,229.59;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 10, 2021 through March 30, 2021 in the amount of \$43,783.28;
 - Approval of the net Payroll, Warrant Nos. 237426 through 237439 and Advice Nos. 711071 through 711854 for the pay period ending March 14, 2021 in the amount of \$2,091,474.08;
 - Approval of Warrant Nos. 27350 through 27419 totaling \$42,736.77 for claim payments from the workers' compensation self-insurance fund for the period ending March 29, 2021;
 - Approval of debt service paid with reserve account interest earnings of \$1,694.22 for the period 04/01/2021 through 04/30/2021.
- Resolution 9. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 19-84 WITH HANCOCK SANDBLAST & PAINT LLC OF PASCO, WASHINGTON FOR THE ROCKY REACH OIL TANK BLAST AND RECOAT AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. B-13 TO CONTRACT 18-33 WITH LYDIG CONSTRUCTION, INC. OF SPOKANE VALLEY, WA TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT

- Resolution 11. A RESOLUTION DECLARING SCHNEIDER ELECTRIC SMART GRID SOLUTIONS, LLC OF WILMINGTON, DELAWARE AS THE SOLE SOURCE SUPPLIER OF THE ARCFM SOFTWARE SUITE FOR CUSTOMER UTILITIES MAPPING
- Resolution 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA-TA NO. 18-024) WITH POWER ENGINEERS, INC. TO PROVIDE GIS ARCFM CONSULTING AND IMPLEMENTATION
- Resolution 13. A RESOLUTION DECLARING ALSTOM RENEWAL US, LLC OF LITTLETON, COLORADO AS THE SOLE SOURCE SUPPLIER OF TURBINE GUIDE BEARING SLEEVE FOR LAKE CHELAN UNITS A1 AND A2
- Resolution 14. A RESOLUTION DECLARING ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. OF SAN BERNARDINO, CA AS THE SOLE SOURCE SUPPLIER OF ARCGIS SOFTWARE SUITE

Moved by: Commissioner Arseneault

Seconded by: Commissioner Congdon

To accept the consent agenda as revised to include Resolutions 10-14

Approved: Unanimously

Commissioner Bolz joined at this time

Design Build Process

- Dan Frazier, Director of Shared Services, and Erik Wahlquist, General Counsel, reviewed the design build process timeline
- The design build agreement is the contract structure; a guaranteed maximum price is for each scope of work

Resolution 15

(see Chelan PUD website for resolution)

- Devin Myers, Senior Project Manager, presented Resolution 15
- This is a guaranteed maximum price amendment to secure long-lead items along with a budget revision to move this work from the O&M budget to capital budget
- Resolution 15. A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 1 TO NORTHBANK CIVIL AND MARINE, INC. OF VANCOUVER, WA TO PROVIDE THE PROCUREMENT AND MANUFACTURING OF LONG LEAD-TIME COMPONENTS FOR THE ROCK ISLAND POWERHOUSE #2 DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE PROJECT AND APPROVING A CAPITAL BUDGET REVISION FOR THE PROJECT

Moved by: Commissioner McKenna

Seconded by: Commissioner Congdon

To approve Resolution 15 as presented

Approved: Unanimously

Manager Items

- Ryan Baker, Parks Manager, provided an update on the camping reservation system
 - The system covers Beebe Bridge park, shelters, and ball fields and launched on March 24
 - Had over 1,000 reservations made in the first 24 hours; working to resolve some issues with discounts
 - The system brought in over \$110k in revenue on the first day; the maximum stay is 21 days in any calendar year
- Steve Wright, General Manager, noted that river flows in March have been at a 1 in 20 year low

Commission Items

- Commissioner Smith noted former Commissioner Bob Boyd's passing on March 29; Bob served as a PUD commissioner for 12 years

- Commissioner Congdon noted PUD employees that have been highlighted on the District website in honor of Women in History month; the website will continue to feature women in public power over the next few months

Commissioner Travel

- Lisa Sanders, Legal Administrative Assistant, reviewed upcoming meeting and travel arrangements

Follow up on Delegation of Action Items from 3/15/21 Board meeting

- Steve Wright will provide information to Commissioner Arseneault on the dollar value of hydro environmental and capacity attributes – completed

Follow up on Delegation of Action Items from previous meeting

- Justin Erickson will bring back Beebe Bridge park Wi-Fi pilot program information prior to Wi-Fi contract renewal in 2020 - completed by email 3/16/21
- Steve Wright will provide information on the cost of reducing connection fees for purchasers of low-income housing from tax-exempt organizations – completed today
- Steve Wright will further describe resource adequacy – completed today

Delegation of Action Items

- Ryan Baker will provide information on how Chelan County residents might have early access to the parks reservation system
- Steve Wright will provide additional information on the causes for low Columbia River flows in March

Executive Session

President Smith convened an executive session at approximately 2:01pm 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) for approximately 90 minutes.

Regular Session Reconvened at 3:39pm

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

There being no other business, the meeting adjourned at 3:39pm.

President

Vice President

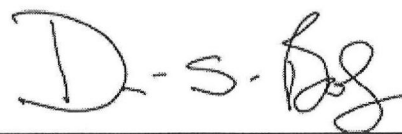
Secretary

Commissioner

Commissioner



Garry Arseneault - Board Member
Approved on 4/29/2021 4:27PM PDT



Dennis Bolz - Board Member
Approved on 4/19/2021 8:18PM PDT



Ann Congdon - Board Member
Approved on 4/21/2021 2:28PM PDT



Steve McKenna - Board Member
Approved on 4/30/2021 2:40PM PDT



Randy Smith - Board Member
Approved on 4/20/2021 6:08AM PDT