

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington April 13, 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 April 13, 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 (by phone)  
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**

- President Arseneault led the pledge

## **Agenda**

- The Quarterly Board Balanced Scorecard report was deferred to the Board Workshop; the agenda was approved as revised

## **Quarterly Electrical Load Growth Update**

(see Chelan PUD website for presentation)

- Chad Rissman, Director of District Asset Management, and Andy Wendell, Director of Customer Service and Stakeholder Outreach, reviewed the quarterly electrical load growth update
- We are seeing up to 12% decline in electrical demand on our system
- Growth in new construction has essentially paused with few exceptions
- Minor adjustments to 2020 load forecast made however it's premature to make accurate adjustments to 10-year forecast
- We are realizing shifts in energy use patterns among customer classes
- Regional planning efforts will need to be recalibrated post-COVID19

## **Debt Action Plan Update**

(see Chelan PUD website for presentation)

- Heather Irelan, Treasury Analyst Lead, provided an update on the debt action plan
- Outlined recent actions, market conditions and timeline for next steps

## **COVID19 Update**

(see Chelan PUD website for presentations)

- Steve Wright, General Manager, reviewed COVID19 phases
  - Trying to balance public and employee health with providing reliable utility service
  - Anticipate peak infection here in 1-2 weeks; seeing a lower, but longer, peak
  - Bringing back some field operations staff if we can do work with social distancing
- Andrew Grassell, Energy Development and Conservation Manager, provided an overview of how the District can help customers impacted by COVID19
  - Under the fees and charges policy, Steve Wright, General Manager, has extended the no late fees and no cutoffs through the end of July
  - There are a large number of individuals and small businesses that are suffering economic harm as a result of COVID19
  - There are new federal/state programs designed to provide financial relief for both individuals and businesses harmed by COVID19 (including funds for utility bills); start up for these programs is slow relative to the immediate impact being felt
  - There are no current Chelan PUD programs targeted at commercial customers that reduce bills
- Managing Directors gave an update on workplace and workforce impacts
- John Stoll, Managing Director of Customer Utilities
  - Performance Plan metrics at risk include: 1) fire risk mitigation strategies, and 2) business-unit level goal of achieving 70% of the workplan
  - Staff efficiency overall is at about 60%
- Kirk Hudson, Managing Director of Generation & Transmission
  - Performance Plan metrics at risk include: 1) hydro capability improvement projects, 2) normal preventative maintenance at all three hydros, and 3) outreach to Plain, Leavenworth and Chelan on transmission line hardening has been cancelled
  - Staff efficiency overall is at about 60%
- Mike Coleman, Managing Director of Fiber & Telecommunications
  - Performance Plan metrics at risk include: 1) fiber expansion, 2) customer service installation and repairs, and 3) portal replacement project
  - Staff efficiency overall is at 30-35%
- Justin Erickson, Managing Director of District Services
  - Performance Plan metric most at risk is the Rocky Reach facilities project
  - Staff efficiency overall is at about 70%
- Gregg Carrington, Managing Director of Energy Resources
  - Performance Plan metrics at risk include: 1) Customer Energy Solution's energy efficiency goals and stretch goals, and 2) Stehekin RFP for battery technology
  - Staff efficiency overall is at 65-110%
- Kelly Boyd, Chief Operations and Risk Officer
  - Performance Plan metric most at risk is the Technology Roadmap
  - Staff efficiency overall is at about 85%
- Tim Pettit, Director of Safety & Human Performance Improvement (HPI)
  - Performance Plan metric most at risk is the Human Performance Improvement Roadmap
  - Coordinator efficiency is down, while other staff have increased efficiency
- Lorna Klemanski, Managing Director of Human Resources and Labor
  - Performance Plan metrics at risk include: 1) hiring goals, 2) implementation of diversity strategies, 3) employee development goals
  - Staff efficiency ranges from 50-90%
- Erik Wahlquist, General Counsel
  - No performance plan metrics were noted as at risk
  - Staff efficiency overall is at about 80%

**Recessed at 12:27pm and Reconvened at 1:02pm**

### **Consent Agenda**

(see Chelan PUD website for resolutions)

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

- Minutes of the March 30, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated April 8, 2020:
  - Vouchers totaling \$5,011,437.61;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 25, 2020 through April 7, 2020 in the amount of \$27,461.02;
  - Approval of the net Payroll, Warrant Nos. 236985 through 237001 and Advice Nos. 691654 through 692440 for the pay period ending 03/29/2020 in the amount of \$2,012,348.16;
  - Approval of Warrant Nos. 26596 through 26605 totaling \$3,616.65 for claim payments from the workers' compensation self-insurance fund for the period ending April 6, 2020.
- Resolution 9. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 19-69 WITH VOITH HYDRO, INC. OF DELAWARE AND AUTHORIZING PAYMENT OF RETAINAGE MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To accept the consent agenda as presented

Approved: Unanimously

### **Resolution 10**

(see Chelan PUD website for resolution)

- George Velazquez, Engineering and Project Management Manager, and Kurt Carlson, Senior Quantitative Analyst, reviewed Resolution 10
- George reviewed background information, operational needs, and future needs
- Kurt reviewed the economic analysis
- Resolution 10. A RESOLUTION ACCEPTING THE BID OF TRANSCO INDUSTRIES, INC. OF PORTLAND, OREGON (BID 19-86) TO PROVIDE THE ROCKY REACH INTAKE HEADGATES PROJECT AND APPROVING A CAPITAL BUDGET REVISION FOR THE PROJECT

### **Resolution 11**

(see Chelan PUD website for resolution)

- Lindsey Mohns, Customer Utilities Business Manager, reviewed Resolution 11
- Lindsey noted that this resolution does not defer any future rate increases, scheduled for June 1 of each year in 2021-2024
- This deferral will impact the District Performance Plan goal of having a water and wastewater rate in place this spring and will also impact fiber, water, and wastewater business unit's ability to meet recently-adopted financial metrics
- Resolution 11. A RESOLUTION DEFERRING TO DECEMBER 1, 2020 THE FIRST YEAR OF ELECTRIC ENERGY, WATER, WASTEWATER AND WHOLESALE TELECOMMUNICATION SERVICE RATE INCREASES ADOPTED BY RESOLUTION 20-14424

### **Resolution 12**

(see Chelan PUD website for resolution)

- Kelly Boyd, Chief Financial and Risk Officer, reviewed Resolution 12
- This resolution revises the Public Power Benefit (PPB) financial criteria, establishes initial funding levels at \$6M per year for 2020-2024, and approves the related budget revision for the 2020 budget

- Resolution 12. A RESOLUTION REVISING THE FINANCIAL CRITERIA FOR FUNDING THE PUBLIC POWER BENEFIT PROGRAM AND ESTABLISHING INITIAL FUNDING LEVELS FOR 2020-2024

**Resolution 13**

(see Chelan PUD website for resolution)

- George Velazquez, Engineering and Project Management Manager, reviewed Resolution 13
- Both responsive bids were more than 15% over the engineer’s estimate
- Resolution 13. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR ROCKY REACH C1 - C7 RUNNER SUPPORT, LIFTING LINKS FABRICATION (BID NO. 20-13) AND AUTHORIZING THE ROCKY REACH C1 - C7 RUNNER SUPPORT, LIFTING LINKS FABRICATION BE OBTAINED BY NEGOTIATION

**Resolution 14**

(see Chelan PUD website for presentation and resolution)

- Mike Coleman, Managing Director of Fiber and Telecommunications, reviewed fiber community support options and Resolution 14
- Recommendation is to provide VLAN circuits at no cost to service providers who agree to use them for free community and educational access hotspots
- Resolution 14. AN EMERGENCY RESOLUTION TEMPORARILY SUSPENDING PORTIONS OF THE DISTRICT’S WHOLESALE TELECOMMUNICATIONS SERVICES RATES AND TO ALLOW THE DISTRICT AND DISTRICT SERVICE PROVIDERS TO ENABLE BROADBAND ACCESS TO TELECOMMUNICATIONS SERVICES DURING THE PERIOD OF COVID19 RESPONSE

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Bolz

To approve the Resolutions as presented

Approved: Unanimously

**Manager Items**

(see Chelan PUD website for graphics)

- Dan Frazier, Director of Shared Services, presented renderings of a proposed trail extension to the new Service Center site, including an educational installation
  - This project is part of the District’s Shoreline Conditional Use permit and Shoreline Master Use permit processes
  - Any changes to the adjacent storm water facility would be a City project; we would participate as a stakeholder in any future process

**Commission Items**

- Board Workshop

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Smith

To reschedule the Board Workshop from Friday, May 1, 2020 to Wednesday, May 13, 2020 @ 9:00am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee

Approved: Unanimously

**Follow Up on Delegation of Action Items from the 3/30/20 Board Meeting**

- Josh Mitchell will report on mobile homes identified in the low-income study and how many are owner occupied versus renter occupied – included in today’s customer support presentation

- Andrew Grassell will share the outreach plan for changes to the low-income program
- John Stoll will share information on suspended disconnects, noting any geographical trends – sent by email on 3/31/20
- Erik Wahlquist will determine if the PUD can make a contribution to the Helping Hands fund –included in today’s customer support presentation

**Commissioner Travel**

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

**Delegation of Action Items**

- Andy Wendell will provide additional information on the average commercial bills broken out for small and large customers
- Erik Wahlquist and Rebekah Garfein will determine how to gather Commissioner signatures while social distancing measures are in place

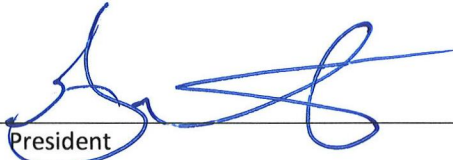
**Executive Session**

President Arseneault convened an executive session at approximately 2:30pm 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 60 minutes.

**Regular Session Reconvened at 3:07pm**


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

There being no other business, the meeting adjourned at 3:07pm.

  
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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



## Do you approve Resolution 20-14458 - Ratify FWOs 5-8, final acceptance bid 16-81 Rayfield Brothers Excavation, Payment of Retainage:

**Title:** Resolution 20-14458.pdf  
**Filename:** Resolution 20-14458.pdf  
**File created:** 6/1/2020 3:27PM  
**File Last Modified:** 6/1/2020 3:27PM  
**Location:** Resource Library / 2020  
**Approval Requested:** 6/1/2020 3:29PM

Results: Approved: 4, Denied: 0, Abstained: 0

**Approved By:**

A handwritten signature in black ink, appearing to read "Garry Arseneault".

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Garry Arseneault on 6/9/20 1:38PM Pacific Time (US & Canada)

**Approved By:**

A handwritten signature in black ink, appearing to read "Dennis Bolz".

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Dennis Bolz on 6/4/20 11:12AM Pacific Time (US & Canada)

**Approved By:**

A handwritten signature in black ink, appearing to read "Ann Congdon".

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Ann Congdon on 6/7/20 7:04PM Pacific Time (US & Canada)

**Approved By:**

A handwritten signature in black ink, appearing to read "Steve McKenna".

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Steve McKenna on 6/2/20 8:50AM Pacific Time (US & Canada)