Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Chelan County, Washington
April 15, 2019

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 15, 2019, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present:  Garry Arseneault, President
                        Dennis Bolz
                        Ann Congdon
                        Steve McKenna
                        Randy Smith

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

Others in attendance: Marcus Bellisimo, KOHO 101
                        Dorry Foster
                        Steve Hair, NCW Life
                        Kyle Lamb, KPQ AM

Call To Order
• President Arseneault called the meeting to order at 10:00am

Pledge of Allegiance and Safety Minute
(see Chelan PUD website for presentation)
• Tim Pettit, Director of Safety and HPI, led the pledge and provided a safety report on close calls involving trucks and pedestrians at the Hawley Street complex entrance
• Interim solutions include a flashing stop sign for employees, flashing lights toward the trail, and possible striping on the sidewalk for awareness
• Relocating the loop trail behind the Hawley Street property is being explored as a long-term solution

Agenda
• Resolution 13 was 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 March winners Sharon Turcotte, Office Services Manager, and Ruth Erwert, Recruiting Program Manager
Quarterly Board Balanced Scorecard Status Update
(see Chelan PUD website for presentation)
• Commissioners reviewed metrics; exceptions were noted and explained

Discovery Center Update
(see Chelan PUD website for presentation)
• Casey Hall, Project Manager II, and Debbie Gallaher, Visitor Services Manager, reviewed proposed changes to the Discovery Center project and associated funding needs
• Proposed changes include bringing the café up to restaurant code and upgrades to the entry
• Reviewed initial design concepts for the Discovery Center

Customer Information System (CIS) Project Update
(see Chelan PUD website for presentation)
• Mark O’Bryan, Technical Project Manager, reviewed project progress and upcoming milestones
• System is scheduled to go live in 6 months; the project remains on time and on budget
• Current focus is on testing to make sure requirements are met
  o Testers mostly come from the Customer Relations department; the focus on testing may reduce Customer Relations staff availability during peak times

Rock Island Spillway Hoist Replacement
(see Chelan PUD website for presentation)
• Brett Bickford, Director of Engineering and Project Management, reviewed a proposal to replace the automatic hoists on Rock Island spillways 17 and 25
• Recommendation is to revise the project and associated budget to replace, rather than repair, the hoists on spillways 17 and 25 with properly sized equipment
• Auto-hoists insure that the spillway can be opened in a timely manner in a scenario where all units tripped offline; while low probability, overtopping the dam would have serious consequences

Manager Items
• Justin Erickson, Managing Director of District Services, gave an update on strategic planning activities
  o Major focus is preparation of the customer survey and related elements including a context document, video, and website content; the printed Owners Guide and all digital content will be dual-language in English and Spanish
  o Justin will be presenting to Chelan Rotary on May 28
  o We’ll be involving youth in this process by engaging Pioneer Middle School 6th graders
• Kelly Boyd, Chief Financial and Risk Officer, and John Stoll, Managing Director of Customer Utilities, gave an update on the long-term rate planning topic team
  o Held the second of three topic team meetings last week with good participation; the team dove into issues around long-term rate planning for electric, water, wastewater, and fiber
  o Goal is to take feedback and have the team confirm and refine their final recommendations
  o The team encouraged the District to communicate the subsidy from wholesale sales, but in a venue other than the bill
• Andrew Grassell, Energy Development / Conservation Manager, gave an update on the economic development topic team
  o The team held their second meeting where they reviewed high-level results of the Aesthetics and Economic Development survey
  o Team members took the same survey to compare to customer results, which showed different perspectives
  o The final team meeting will focus on options and ideas for Board consideration
• Andy Wendell, Director of Customer Service and Stakeholder Outreach, gave an update on outreach efforts
  o Will share information on the Lake Chelan transmission hardening project and seek community feedback; specifically targeting those who have views of the transmission line
  o Washington State Department of Fish and Wildlife has provided a written response to the Chelan Dam transmission line options expressing concern with a line to the substation from Chelan Dam
  o North Shore and Leavenworth substation outreach will seek input on aesthetic considerations
• Chad Bowman, Director of Transmission and Compliance, reported on the Mid-Columbia joint line project
  o Cultural permitting issues that have been outstanding for quite some time have been resolved with an agreement between Bonneville, Tribes, and the State
  o Douglas PUD and Bonneville are proceeding toward final design and procuring equipment
• Steve Wright, General Manager, announced a contract with Microsoft
  o A new agreement with Microsoft was announced last Friday; the agreement is for real-time supply of energy to serve their load

Follow Up on Delegation of Action Items from the 4/1/19 Board Meeting
• No follow up items noted

Follow Up on Delegation of Action Items from Previous Meetings
• Kelly Boyd will follow up with potential Board dashboard options later in the year – provided 4/11/19
• Steve Wright will provide information on incremental investment analysis for Rock Island projects – provided by email 3/26/19
• John Stoll will provide an update on appropriate PUD signage on properties – provided by Teka Sellars 4/1/19

Recessed at 11:54am and Reconvened at 1:04pm

Consent Agenda
(see Chelan PUD website for resolutions) 
President Arseneault presented the consent agenda which included the following items:
• Minutes of the April 1, 2019 Regular Meeting
• Vouchers: Accounts Payable Summary Report dated April 10, 2019:
  o Vouchers totaling $5,528,690.13;
  o Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 27, 2019 through April 9, 2019 in the amount of $34,265.66;
  o Approval of the net Payroll, Warrant Nos. 236453 through 236471 and Advice Nos. 671196 through 671979 for the pay period ending 03/31/2019 in the amount of $1,992,581.85;
  o Approval of Warrant Nos. 25490 through 25533 totaling $13,386.56 for claim payments from the workers’ compensation self-insurance fund for the period ending April 8, 2019.
• Resolution 13. A RESOLUTION AUTHORIZING BUDGET AND APPROVING BIDDING DOCUMENTS FOR BID NO. 18-85 FOR MOBILE SUBSTATION PROCUREMENT COMPLETE WITH CABLE AND CABLE TRAILERS AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

MOTION
Moved by: Commissioner Bolz
Seconded by: Commissioner Smith
To accept the consent agenda as revised
Approved: Unanimously
Resolution 12
(see Chelan PUD website for resolution)
• Vicki Griffin, Real Estate and Permitting Manager, and Andy Wendell, Director of Customer Service and Stakeholder Outreach, reviewed Resolution 12
• Alternative sites were explored, but several factors made them very high cost; additional property would support a 56MW substation at that location
• Resolution 12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE A .27 ACRE PARCEL OF LAND LOCATED ADJACENT TO THE WENATCHEE SUBSTATION FROM WATTEN FRESH, A CALIFORNIA LIMITED PARTNERSHIP

Resolution 14
(see Chelan PUD website for resolution)
• Resolution 14 was reviewed this morning in the Rock Island Spillway Hoist Replacement presentation
• Resolution 14. A RESOLUTION AUTHORIZING A CAPITAL BUDGET REVISION AND APPROVING BIDDING DOCUMENTS FOR ROCK ISLAND DAM SPILLWAY BAYS 17 AND 25 HOIST REPLACEMENT PROJECT (BID NO. 19-28) AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

MOTION
Moved by: Commissioner Smith
Seconded by: Commissioner Bolz
To approve Resolutions 12 and 14 as presented
Approved: Unanimously

Manager Items
• Kirk Hudson, Managing Director of Generation and Transmission, gave an update on hydro projects
  o Trunnion bushings on units C1-C7; we are making progress on disassembling unit C1
    ▪ We have similar concerns with C3 and are looking at plans to address all remaining units; these units were refurbished in the late 1990s-early 2000s
  o At Rock Island we are modernizing units B1-B4 and continuing modernization on units B5-B10
  o Earlier this year had an equalizing pressure alarm on unit B10; took that unit offline and began disassembly to determine alarm cause
    ▪ Last week observed parts in the turbine hub that had come loose; our engineering team is working with Andritz on the root cause
    ▪ B6 punchlist items and Powerhouse 2 maintenance work were put on hold to take B10 offline
    ▪ Units B6, B7, and B9 have similar designs and may be impacted once the root cause is determined
• Janet Jaspers, Energy Planning and Trading Manager, reported on Lake Chelan lake level management
  o We are expecting to refill the lake on time
  o March generation was 40% of capacity to assure a timely fill
• Steve Wright, General Manager, provided additional information on the contract with Microsoft
  o We are contracted with the Renewable Energy Buyer’s Alliance, who represent companies that want carbon-free or renewable energy
  o We’ve also reached out to environmental community leaders with good success
  o Chelan County Commissioners sent a supportive statement in response to our contract announcement

Service Center Update and Resolution 11
(see Chelan PUD website for presentation)
• Dan Frazier, Director of Shared Services, and David Lodge, Project Manager II, presented feedback on the Service Center project
Feedback was focused in four main areas:
  o Downtown business impacts, traffic impacts, site design and public access, and lobby functions and features
  o Dan reviewed how each area of concern would be addressed

Steve Wright, General Manager, reviewed the process that took place over the last four years and ultimately led to this decision

The resolution is the decision to move forward with a consolidated service center, adoption of the capital budget, and the continued redevelopment of our downtown property

Resolution 11. A RESOLUTION APPROVING THE SERVICE CENTER CONSOLIDATION PROJECT AND ADOPTING THE PROJECT CAPITAL BUDGET

MOTION
Moved by: Commissioner Bolz
Seconded by: Commissioner Smith
To approve Resolution 11 as presented
Approved: Unanimously

Delegation of Action Items
- Kirk Hudson will provide a map of generating units to Commissioners

Commission Items
- Commissioner Smith will take over as President of WPUDA this week; given the large amount of commissioner turnover on a state-wide basis, his theme for the year is “Getting to Know You”

Executive Session
President Arseneault convened an executive session at approximately 2:10pm 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 60 minutes.

Regular Session Reconvened at 3:10pm
- President Arseneault stated no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting adjourned at 3:10pm.

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