

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington May 3, 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 May 3, 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

**Guests present:** Mike Cooney  
Pierre Marx, Cyril Paynot, and Pierre Rung, from GE  
Zac Yanez, from Puget Sound Energy

## **Call to Order**

- President Smith called the meeting to order at 10:02am

## **Pledge of Allegiance and Safety/HPI Minute**

- Todd Shales, Park Foreman, led the pledge and provided information on mitigation of risks related to mowing a steep hillside

## **Agenda**

- Resolution 12 was moved to the consent agenda; the agenda was approved as revised

## **Quarterly District Performance Plan Update**

(see Chelan PUD website for presentation)

- Managing directors reviewed Q1 metrics completed and those delayed or not met
- 82% of metrics are on track or completed

## **Quarterly Financial Review and Investment Report**

(see Chelan PUD website for presentation)

- Mark Mullins, Director of Enterprise Planning and Risk Analytics, and Dave Nelson, Strategic Financial Planner, reviewed the first quarter financial information and investment report
- Bottom-line results through Q1 are better than budget
  - Lower operating costs due to modified project schedules combined with higher wholesale revenues to more than offset lower retail revenues

- Forecasted bottom-line results for the year are better than budget
  - Combination of higher revenues and lower operating expenses versus budget is expected to continue for the year, more than offsetting lower retail revenues
  - Capital and O&M project schedules are being fine-tuned and reflect heavy spending in 2021 with several significant projects well underway
- Financial metrics are meeting targets
  - District financial metrics are being met for the 5-year planning horizon with borrowing expected around 2023 to fund a portion of capital spending
- COVID19 financial impacts continue to be manageable
- Stay the course with 2020-2024 strategic goals

#### **Quarterly Electrical Load Growth Update**

(see Chelan PUD website for presentation)

- Andy Wendell, Director of Customer Service and Stakeholder Outreach, presented quarterly load growth information
- Primary focus in the county is residential development
- Reviewed substation progress and initial plans for the South Shore Feeder #3 line

#### **Low-Income Program Development and Low-Income Waiver Update**

- Andrew Grassell, Energy Development and Conservation Manager, Lacy Stockton, Energy Efficiency Marketing Strategist, and Josh Mitchell, Energy Efficiency Advisor provided an update on the low-income program
  - Reviewed costs to implement the light, medium and expanded programs, feedback from the advisory group, and options for community investment support
  - The Clean Energy Transformation Act (CETA) does not include a mandate; the District is mandated to make low-income programs available and the current Light program meets that requirement
- John Stoll, Managing Director of Customer Utilities, gave an update on the low-income connection waiver
  - The housing trusts' recommendation was 120% of the Area Median Income (AMI) for the connection fee waiver threshold; the District's statutory authority is limited to addressing low-income customer-owners
  - Staff recommends setting 80% AMI as the connection fee waiver threshold

#### **Recess at 12:16pm, Reconvene at 1:01pm**

#### **Rocky Reach License Implementation: Sturgeon Program**

(see Chelan PUD website for presentation)

- Alene Underwood, Fish and Wildlife Manager, and Lance Keller, Senior Fisheries Biologist, gave an update on white sturgeon juvenile collection
- Reviewed risks of conventional brood stock collection and plans to move forward with larval collection
- Upcoming resolutions will support the transition to wild larvae collection
- Alene also updated commissioners on research related to maximum fish ladder height
  - There is no specific height limitation, but there is an array of other factors that need to be accounted for to create good fish passage including entrances and exits, slope of ladder, and space to jump
  - In locations where a ladder is not feasible, other methods include trap and haul or fish elevators

#### **Consent Agenda**

(see Chelan PUD website for resolutions)

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

- Minutes of the April 19, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated April 28, 2021:
  - Vouchers totaling \$16,836,133.39;

- Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 14, 2021 through April 27, 2021 in the amount of \$82,941.31;
- Approval of the net Payroll, Warrant Nos. 237454 through 237467 and Advice Nos. 712645 through 713450 for the pay period ending April 11, 2021 in the amount of \$2,176,824.96;
- Approval of Warrant Nos. 27440 through 27493 totaling \$12,397.49 for claim payments from the workers' compensation self-insurance fund for the period ending April 26, 2021;
- Approval of Parks Reservation System customer refunds for the period April 14, 2021 through April 23, 2021 in the amount of \$2,920.57
- Approval of debt service paid with reserve account interest earnings of \$1,848.24 for the period April 1, 2021 through April 30, 2021.
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 20-13 WITH VOITH HYDRO, INC. OF PENNSYLVANIA AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDERS NO. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-86 WITH TRANSCO INDUSTRIES, INC. OF PORTLAND, OREGON AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 12. A RESOLUTION REJECTING ALL BIDS FOR ITEM 4 ONLY AND DECLARING THAT NO BIDS WERE RECEIVED FOR ITEM 4 ONLY FOR THE PURCHASE OF THE ROCKY REACH SHOP EQUIPMENT PURCHASE (BID NO. 20-45) AND AUTHORIZING THAT ITEM 4 SAWING EQUIPMENT BE OBTAINED BY NEGOTIATION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bolz

To approve the consent agenda as revised to include Resolution 12

Approved: Unanimously

Commissioner McKenna joined at this time

### **Resolutions 13 and 14**

(see Chelan PUD website for presentation and resolution)

- John Sagerser, Engineering and Project Management Manager, presented Resolutions 13 and 14
- Pierre Marks, GE General Manager, expressed appreciation for the collaborative process
- Steve Wright, General Manager, noted this meets the needs of Chelan PUD customer-owners and we appreciate the way GE has stepped up here
- Resolution 13. A RESOLUTION AUTHORIZING THE EXECUTION OF A FIELD WORK ORDER/CHANGE ORDER TO CONTRACT 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE FOR AN EXTENDED CORRECTION PERIOD EXHIBIT TO BE ADDED TO THE ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT
- Resolution 14. A RESOLUTION AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 1 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE THE PROCUREMENT AND MANUFACTURING OF LONG LEAD-TIME COMPONENTS FOR CONTRACT 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT

Moved by: Commissioner Bolz

Seconded by: Commissioner Congdon

To approve Resolutions 13 and 14 as presented

Approved: Unanimously

### **Manager Items**

(see Chelan PUD website for presentations)

- Robb Davis, Interim Managing Director of Energy Resources, noted the recent Puget Sound Energy contract

- Brett Bickford, Director of Engineering and Project Management, gave an update on the recent Rock Island pier 1 crack repair
  - Additional time was needed to design and execute this project due to conduits embedded in the deck that had to be relocated
  - The crack was repaired by placing post-tension anchors
  - The District has reported to FERC that this work is complete and has removed deck restrictions
- Kirk Hudson, Managing Director of Generation and Transmission, provided information on the burn index
  - The scale is about 10 times the flame length of a fire potential; the scale maximum is 240
  - There is a lot of variability in the burn index; staff is looking for a better flame length index metric

#### **Commission Travel**

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

#### **Follow up on Delegation of Action Items from 4/19/21 Board meeting**

- Chad Bowman will provide more information on the Burn Index measurement system – reported today

#### **Follow up on Delegation of Action Items from Previous Board meetings**

- Alene Underwood will provide information on the maximum beneficial elevation gain for fish ladders – reported today
- Andrew Grassell will provide additional information on low-income program options outlining financial impact to customers compared to cost of program – reported today

#### **Delegation of Action Items**

- Andrew Grassell will provide more information on the cost per home and cost-effectiveness per home for the light, medium, and expanded low-income program tiers
- Andrew Grassell and Erik Wahlquist will provide information on whether the Average Median Income is calculated by county or community

#### **Executive Session**

President Smith 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) and to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 90 minutes.

#### **Regular Session Reconvened at 3:30pm**

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

There being no other business, the meeting adjourned at 3:30pm.

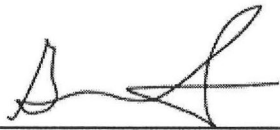
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President

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Vice President

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Secretary

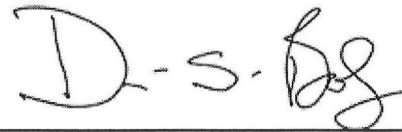
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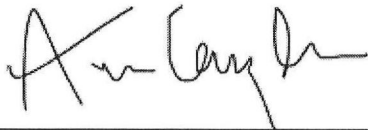
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Garry Arseneault - Board Member  
Approved on 5/18/2021 8:23PM PDT



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Dennis Bolz - Board Member  
Approved on 5/17/2021 3:08PM PDT



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Ann Congdon - Board Member  
Approved on 5/27/2021 2:18PM PDT



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Steve McKenna - Board Member  
Approved on 5/26/2021 8:33AM PDT



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Randy Smith - Board Member  
Approved on 5/18/2021 6:20AM PDT