

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington May 11, 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 May 11, 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
Erik Wahlquist, General Counsel
Rebekah Garfein, Clerk of the Board
Various staff

Call To Order

- President Arseneault called the meeting to order at 10:01am and led the pledge of allegiance

Agenda

- Resolutions 9, 10, 11, 13, and 14 were moved to the consent agenda; the agenda was approved as revised

Quarterly Energy Resources Update

(see Chelan PUD website for presentation)

- Gregg Carrington, Director of Energy Resources, and Janet Jaspers, Director of Energy Operations Planning and Trading, presented the first quarter Energy Resources update
- The District's 2020 Net Wholesale Revenue forecast and other energy-related revenues is \$99.9 million, which is \$2.4 million below budget
- The District is seeing more variety in buyers

Quarterly Financial Review and Investment Report

(see Chelan PUD website for presentation)

- Mark Mullins, Director of Enterprise Planning and Risk Analytics, and Craig Kunz, Manager of Strategic Financial Planning, presented the first quarter financial review and investment report
- Bottom-line results through Q1 are better than budget
 - COVID19 had offsetting impacts on Q1 with lower retail revenues (lower customer usage) and lower long-term cost-based power contract revenue (lower hydro costs) more than offset by lower operating costs due to adapting work to COVID19 requirements
- Forecasted bottom-line results for the year are below budget
 - Anticipating lower retail revenues and cost-based power contract revenues to continue into the summer as a result of COVID19 shutdowns and work slowdowns with a partial offset from slightly lower operating expenses

- Financial metrics
 - District financial metrics are being met with borrowing expected in 2022 to cover liquidity and days cash on hand metrics
- Stay the course with new 2020-2024 strategic goals; recognize need to be nimble in adjusting to COVID19
- Steve Wright, General Manager, noted that Chelan PUD is well-positioned, although it remains to be seen how the economy will recover from COVID19 and on what timeline
 - A sustained economic recession could impact future long-term sales contracts
 - It is unlikely that we'll be able to return as many units to service this year as originally planned

Integrated Resource Plan Load and Resource Forecast

(see Chelan PUD website for presentation)

- Becky Keating, Senior Analyst, presented the initial portfolio analysis results
- The integrated resource plan and subsequent progress reports are required under state law
- The District is expected to be able to meet retail load through 2030 without additional resources
- Comments can be submitted through the District's Integrated Resource Plan webpage

Employee Recognition

- Steve Wright, General Manager, recognized Tim Pettit, Director of Safety and HPI, for his retirement after 11 years of service to the District; Commissioners expressed their appreciation for Tim's service

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the April 27, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated May 6, 2020:
 - Vouchers totaling \$21,118,935.55;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 22, 2020 through May 5, 2020 in the amount of \$26,163.74;
 - Approval of the net Payroll, Warrant Nos. 237018 through 237033 and Advice Nos. 693233 through 694020 for the pay period ending 04/26/2020 in the amount of \$1,996,688.03;
 - Approval of Warrant Nos. 26635 through 26666 totaling \$7,023.63 for claim payments from the workers' compensation self-insurance fund for the period ending May 4, 2020.
- Resolution 9. A RESOLUTION APPROVING A REQUEST FOR QUALIFICATIONS (RFQ) (NO. 20-14) FOR ROCK ISLAND DAM POWERHOUSE #2 – DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
- Resolution 10. A RESOLUTION APPROVING THE REQUEST FOR QUALIFICATIONS (RFQ) AND SUBSEQUENT REQUEST FOR PROPOSALS (RFP) (PROJECT NO. 20-18) FOR ROCK ISLAND DAM POWERHOUSE #2 – GENERATOR MAIN LEAD REPLACEMENT PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
- Resolution 11. A RESOLUTION AMENDING SCHEDULE NO. 5 AND NO. 6 OF THE DISTRICT'S INVESTMENT AND BANKING POLICY ADOPTED BY RESOLUTION NO. 16-14094 TO UPDATE THE LIST OF SIGNATORS AUTHORIZED TO DISBURSE DISTRICT FUNDS
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 17-126) WITH GENESIS TECHNOLOGY SOLUTIONS, INC. TO PROVIDE GENERATION ASSET MANAGEMENT CONSULTING SERVICES
- Resolution 14. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PURCHASE OF 15KV ARC RESISTANT METALCLAD SUBSTATION SWITCHGEAR (BID NO. 19-63) AND AUTHORIZING THE PURCHASE OF 15KV ARC RESISTANT METALCLAD SUBSTATION SWITCHGEAR BE OBTAINED BY NEGOTIATION

Moved by: Commissioner Smith
Seconded by: Commissioner Bolz
To accept the consent agenda as revised to include resolutions 9, 10, 11, 13, and 14
Approved: Unanimously

Resolution 12

(see Chelan PUD website for resolution)

- Kirk Hudson, Managing Director of Generation and Transmission, gave a strategic overview of Rock Island Powerhouse 1 units
- Scott Tidd, Engineering and Project Management Manager, reviewed Resolution 12
- Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 26, 27, 28, AND 28A FOR B10, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDERS NO. 4-10 FOR B7 AND 6-02 FOR B8, FOR CONTRACT NO. 04 01 PART B FOR THE ROCK ISLAND B5-B10 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.

Resolution 15

(see Chelan PUD website for resolution)

- Kirk Hudson gave a strategic overview of Rocky Reach units
- George Velazquez, Engineering and Project Management Manager, reviewed Resolution 15
- The title of the resolution will be updated to specify "spares" rather than "a spare"
- Resolution 15. A RESOLUTION DECLARING AN EMERGENCY PURSUANT TO RCW 54.04.070 AND 39.04.280 AND AUTHORIZING THE GENERAL MANAGER TO TAKE ALL STEPS REASONABLE AND NECESSARY FOR PROCUREMENT OF THE ROCKY REACH C7 OPERATING ROD, SPARES, AND RELATED PARTS FOUND DAMAGED AS NECESSARY

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Smith

To approve Resolutions 12 and 15 as presented with the acknowledgement of a change in the title to Resolution 15

Approved: Unanimously

Manager Items

- Kerri Wendell, Customer Relations Manager, and Andrew Grassell, Energy Development and Conservation Manager, gave an update on COVID19 customer impacts
 - Reviewed unemployment trends, past due account status, and Helping Hands distributions
- Mike Coleman, Managing Director of Fiber and Telecommunications, gave an update on community wireless access points (hot spots)
 - 8 community wireless access points have been activated, which had 224 visitors in the past week
 - Native Networks is looking at 3-4 locations and LocalTel is also looking at a couple more locations
 - Network bandwidth usage came down this period, but remains above pre-COVID levels
 - Nodes are all running below 90%

Commission Items

- Commissioner Smith noted the WPUDA Strategic Planning Committee zoom meeting will be held on Friday
- Commissioner Arseneault has filed for reelection
- Commissioner McKenna has filed for reelection

Commission Travel

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

Follow Up on Delegation of Action Items from the 4/27/20 Board Meeting

- Rebekah Garfein will add the following agenda item to the next Board workshop: Review COVID19 impacts on the District Performance Plan - completed
- Catherine Willard will follow up with Commissioner Congdon with additional Skaha hatchery information
- Kerri Wendell will provide information on past due accounts – how many are one time past due versus those with multiple past due notices – included in today’s update
- Mike Coleman will provide information on additional community wi-fi access points when they are activated – update provided today
- Rebekah Garfein will follow up with Commissioner Arseneault on digital signature pilot project
- Commissioners and staff will consider school request for work tables near community wi-fi access points – follow up completed by Mike Coleman on 5/7/20

Delegation of Action Items

- Rebekah Garfein will send Commissioner calendar invites for the WPUA Strategic Planning Committee and Annual Meetings, in coordination with Commissioner Smith

Executive Session

President Arseneault convened an executive session at approximately 12:22pm 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 10 minutes.

Regular Session Reconvened at 12:35pm

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

Manager Item

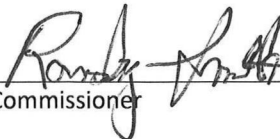
- Steve Wright, General Manager, gave an update on Chelan Douglas Health District support
 - Lorna Klemanski, Managing Director of HR and Labor, along with Erik Wahlquist, worked on an interlocal agreement for our staff to perform contact tracing
 - The state has trained 600 people, with plans to train 900 more, to perform contact tracing for up to 18 months; our efforts are on hold at this time
 - We continue to provide background support and data for a waiver application to the state, which would allow more businesses to reopen

There being no other business, the meeting adjourned at 12:38pm.

President

Vice President

Secretary



Commissioner

Commissioner



CHELAN COUNTY

Do you approve the 5-11-20 Minutes?:

Title: Minutes 05-11-20.pdf

Filename: Minutes 05-11-20.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 3:37PM

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

Approved By:

Garry Arseneault on 6/9/20 1:39PM Pacific Time (US & Canada)

Approved By:

Dennis Bolz on 6/4/20 11:18AM Pacific Time (US & Canada)

Approved By:

Ann Congdon on 6/7/20 7:05PM Pacific Time (US & Canada)

Approved By:

Steve McKenna on 6/2/20 8:52AM Pacific Time (US & Canada)