

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

Others present: Various members of the public joined by phone

Call To Order

- President Arseneault called the meeting to order at 10:06am and led the pledge of allegiance

Agenda

- Resolutions 12 and 13 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 April and May winners Christian Pierce, Senior Network Support Specialist, Eddie Varela, Network Support Specialist I, Rich Hyatt, Security Director, and Tracy Yount, Director of External Affairs and Interim Director of Safety & HPI

Rock Island Early Action Project Review

(see Chelan PUD website for presentation)

- Janel Ulrich, Hydro Licensing Manager, gave an overview of Rock Island early action project options
- Janel shared recreation benchmarking data, project criteria, and the value framework used for evaluation
- Staff recommends taking the next step on four project proposals at a cost of \$127,500
- Bruce McKammon, NCW Audubon Society board member, noted continued support of projects in the Horan Natural Area and Rock Island ponds
- Mike Kaputa, Chelan County Director of Natural Resources, reported matching funds for the Malaga park proposal and reaffirmed support of a 50-year license for Rock Island
- Other members of the public spoke in support of the Malaga Park and the Apple Capital Loop Trail study
- Commissioners agreed with staff recommendations as presented

Draft Integrated Resource Plan

(see Chelan PUD website for presentation)

- Becky Keating, Senior Analyst, presented a draft of the 2020-2022 Integrated Resource Plan including Clean Energy Transformation Act and resource adequacy requirements
- Comments on the plan may be submitted at <http://www.chelanpud.org/environment/operating-responsibly/integrated-resource-plan>

2020-2021 Insurance Program Renewal Update

(see Chelan PUD website for presentation)

- Ron Gibbs, Insurance and Claims Manager, provided information on the District's insurance portfolio
- Property and General Liability premiums are expected to increase over 20% this year
- Premium increases have several underlying components including hardening property insurance markets, utility industry losses, increased property values, and elevated jury awards for all types of losses

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To authorize expenditures by the District not to exceed \$3,300,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2020-2021 policies upon terms and conditions approved by the General Manager

Approved: Unanimously

Chelan Transmission Rates, Methodology, and Process

(see Chelan PUD website for presentation)

- Chad Bowman, Director of Transmission and Compliance, provided an overview of transmission rates
- The purpose of developing these rates is to identify wholesale transmission rates that are consistent with Federal Energy Regulatory Commission (FERC) methodologies, that we would consistently apply to ourselves as well as others who wish to utilize the District's transmission system
- Chad reviewed how rates are calculated and next steps

Proposal to Improve Electric Distribution Reliability

(see Chelan PUD website for presentation)

- John Stoll, Managing Director of Customer Utilities, and Chad Rissman, Director of Distribution Asset Management, reviewed proposed steps to improve electric system reliability
- Reviewed benchmarking indices and the District's move from the Average Up Time In Percent (ASAI) to All Customers Out Equivalent (SAIDI) as our benchmarking metric
- Reviewed historical investments, cost versus benefit modeling, and benchmarking sources
- Chad presented budget consideration options for improving distribution reliability

Low-Income Conservation Program

(see Chelan PUD website for presentation)

- Josh Mitchell, Energy Efficiency Advisor, presented follow up information on the low-income program needs assessment
- Josh reviewed the needs assessment results, low-income program design steps, and timeline

Recessed at 12:19pm and Reconvened at 1:00pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the June 1, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated June 10, 2020:
 - Vouchers totaling \$6,802,417.56;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 27, 2020 through June 9, 2020 in the amount of \$44,121.51;
 - Approval of the net Payroll, Warrant Nos. 237050 through 237064 and Advice Nos. 694815 through 695605 for the pay period ending 05/24/2020 in the amount of \$2,105,100.47;
 - Approval of Warrant Nos. 26704 through 26715 totaling \$7,394.46 for claim payments from the workers' compensation self-insurance fund for the period ending June 8, 2020.
- Resolution 12. A RESOLUTION AMENDING SECTION 37 OF THE DISTRICT'S UTILITY SERVICE REGULATIONS
- Resolution 13. A RESOLUTION REJECTING THE BID OF NEPTUNE MARINE, LLC AND ACCEPTING THE BID OF REDSIDE CONSTRUCTION, LLC OF BAINBRIDGE ISLAND, WASHINGTON (BID 20-04) FOR PARK MOORAGE DOCK REPLACEMENTS

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To accept the consent agenda as revised to include Resolutions 12 and 13

Approved: Unanimously

Safety Investigation Recommendations Follow Up

(see Chelan PUD website for presentation)

- Tracy Yount, Director of External Affairs and Interim Director of Safety & HPI, Tony Nelson, Director of Central Maintenance, Greg Smith, Manager of Safety & HPI, Darrin Nelson, Contractor Safety Program Manager, and Dan Garrison, Director of Hydro Operations, gave an update on safety investigation items
- Reviewed initial recommendation summary list and status; all items are completed except for two, which are part of longer-term efforts
- Dan reported that all recommendations designed to prevent the accident that occurred on June 13, 2018 have been implemented
- Steve Wright, General Manager, noted that a larger look at contributing factors is something we will continue to work on through an improvement of safety culture at the District

Manager Items

- Kerri Wendell, Customer Relations Manager, provided a COVID19 Customer Impacts Update
 - Unemployment numbers are based on initial applications and are not a cumulative number
- Ryan Baker, Parks Manager, gave an update on the 4th of July fireworks celebration at Walla Walla Park
 - Modifications are in place to address restrictions on social gatherings; outreach will begin next week
 - Walla Walla park will be open to foot traffic until 6:00pm at which time the park and Apple Capital Loop Trail will close; the park will remain closed to vehicle traffic all day on July 4
- John Stoll, Managing Director of Customer Utilities, reported that the 2020 customer satisfaction survey will begin in the next week with a report expected in late July or early August
 - The survey was originally planned for Q1, but was postponed due to COVID19
- John Sagerser, Engineering and Project Management Manager, gave an update on the Rock Island Powerhouse 2 design build agreement
 - John gave an overview of the project background, negotiation process and next steps
- Steve Wright, General Manager, recognized Kimberlee Craig, Public Information Officer, on her upcoming retirement after 21 years of service to the District

Commission Items

- Commissioner Smith noted that he appreciates technology that works for him and the use of facial recognition as a benchmark for functionality

- Commissioner Arseneault reported on last week's WPUDA meeting which centered around Governor Inslee's proclamation that oversteps into the PUD's domain and authorities
 - WPUDA will deliver a letter to the Governor's office regarding this incursion into PUD authority
- Commissioner Smith gave a reminder that there is a WPUDA Commissioner Roundtable meeting this Wednesday, which is open to all Commissioners
- Commissioner Arseneault is participating in the Chamber's Recovery Council
 - Part of the effort for the county has been to purchase masks for small business staff and customers
 - Chelan County has already purchased some masks and is distributing those; Cashmere Valley Bank has offered to purchase masks with matching dollars

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Smith

To approve a \$25,000 contribution from Public Power Benefit funds to Chelan County COVID relief for masks and public information/education efforts for the benefit of the District, its employees, and customers

Approved: Unanimously

Follow Up on Delegation of Action Items from the 6/1/20 Board Meeting

- Andrew Grassell will clarify whether the 27cents per gallon equivalent for electric vehicles is at Chelan PUD rates – completed 6/3/20
- Dan Frazier will provide a rendering of the Service Center plaza fixture representing the dams on the Columbia
- Cathy Melton will research NEC requirement for emergency disconnects and whether there is a limitation on who can access those – follow up completed 6/10/20
- Kerri Wendell will confirm whether unemployment numbers are a snapshot or cumulative - whether they take into account people going back to work – reported today

Delegation of Action Items from Previous Meetings:

- Commissioner Bolz will propose new language for Board Balanced Scorecard objective G1 for the quarterly reviews – completed 6/4/20

Delegation of Action Items

- Kerri Wendell will provide a summary of dollar amounts of past due accounts (how large the balances are)

Executive Session

President Arseneault convened an executive session at approximately 2:25pm 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 35 minutes.

Regular Session Reconvened at 3:05pm

President Arseneault stated no votes were taken and no decisions were made during Executive Session. There being no other business, the meeting adjourned at 3:05pm.



 Vice President

 President

 Secretary

 Commissioner

 Commissioner



CHELAN COUNTY

Do you approve the 6/15/20 Minutes?:

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Approved By:

Garry Arseneault on 7/12/20 8:18PM Pacific Time (US & Canada)

Approved By:

Dennis Bolz on 7/7/20 11:48AM Pacific Time (US & Canada)

Approved By:

Ann Congdon on 7/9/20 8:54AM Pacific Time (US & Canada)

Approved By:

Randy Smith on 7/9/20 8:50AM Pacific Time (US & Canada)