

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington July 6, 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 July 6, 2021, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Steve McKenna, Vice President (by phone)
Garry Arseneault (by phone)
Dennis Bolz (by phone)
Ann Congdon (by phone)

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

Call to Order

- Vice President McKenna called the meeting to order at 10:03am

Pledge of Allegiance and Safety/HPI Minute

- Katie Marcoux, Industrial Hygiene and Safety Coordinator, led the pledge and provided information on industrial hygiene

Agenda

- The agenda was approved as presented

Service Center Update

(see Chelan PUD website for presentation)

- Dan Frazier, Director of District Services, and David Lodge, Senior Project Manager, gave an update on Service Center progress
- Reviewed time and cost impacts of cultural discovery
- Reviewed ongoing project risks
- Team successes including over 300 days on the project with zero injuries
- Community outreach includes plans for a fall workshop and hard hat tours
- Next steps include a request for additional project-specific delegated authority; Erik Wahlquist, General Counsel, reviewed the parameters of the delegated authority request

Safety Investigation Recommendations Follow-Up

(see Chelan PUD website for presentation)

- Kirk Hudson, Managing Director of Generation and Transmission, Ronda Wilkinson, Director of Safety and HPI, Dan Garrison, Director of Hydro Operations, and Tony Nelson, Director of Central Maintenance, gave an update on safety investigation recommendations identified after the Bromiley fatality
- Reviewed outcome of three recommendations completed in the last 12 months and those that remain open

Cost-Plus Contract Update

(see Chelan PUD website for presentation)

- Erik Wahlquist, General Counsel, provided an overview of the cost-plus contract template under development as part of the long-term marketing strategy implementation
- A large team has been working on this for many months in an effort to update the cost-plus contract template with guiding principles in mind
- In process of finalizing response to subject matter expert comments and recommendations
- Reviewed benefits of cost-plus approach
- Reviewed major template concepts and next steps

Manager Items

- Kirk Hudson, Managing Director of Generation and Transmission, provided an update on weekend events
 - On Sunday, July 4, the Batterman Fire caused a couple transmission lines to trip offline, which in turn caused part of the Rocky Reach switchyard bus to trip
 - The bus outage resulted in losing the river crossing for units C5, 6, 7, 8 and 9 at Rocky Reach; having that many units unavailable impacted Rock Island headwater levels
 - Rock Island headwater elevation dropped ~2 ft in about 1.5 hours
 - System operations, hydro operations, engineering, Central Maintenance wire crew members, and others responded quickly to reenergize the bus and implemented spill to bring up the Rock Island reservoir
 - The reservoir was maintained within license limitations
 - Staff put in a lot of good work on a holiday
 - Steve Wright, General Manager, noted the importance of the agreement in place for northwest utilities to share reserves; the District used reserve sharing for those hours, which covered us for 138 mW
 - This is a valuable tool to have in place
- Justin Erickson, Managing Director of District Services, gave an update on Wenatchee Riverfront Park project and outreach
 - PUD website is up and running for the Riverfront Park project
 - On July 20, the planning committee will host an all-day event at Pybus to gather public comments; they also have plans to host a booth on the trail and have an online comment opportunity
 - The website and information are available in Spanish
 - The committee will work with a consultant to refine plans incorporating public comments
 - Will narrow concepts to three options and seek additional public comment in September on the three options
- Heather Irelan, Lead Treasury Analyst, gave an update on debt retirement
 - Completed a full bond call of 2011 A and B bonds on July 1
 - Par value of ~\$73M; part of 2020 plan of finance which was paused due to COVID and related market uncertainty
 - Positive net value of calling bonds now was consistent with original analysis

Commission Items

- Commissioners McKenna and Bolz expressed appreciation for the work in developing the Rock Island facilities and the impressive level of detail that was solicited from staff who use the facilities

Commission Travel

- Rebekah Neumann, Clerk of the Board, reviewed upcoming meeting and travel arrangements

Follow up on Delegation of Action Items from 6/14/21 Board meeting

- Catherine Willard will bring back follow up information to UW, NOAA, and David Welch ocean condition studies regarding salmon and steelhead survival

- Ian Fitzgerald will bring back information on the Total Resource Management contract for Maximo Prime subscription services, if and when we move forward with cloud-based service

Recess at 11:45am, Reconvene at 12:59pm

Consent Agenda

(see Chelan PUD website for resolutions)

Vice President McKenna presented the consent agenda, which included the following items:

- Minutes of the June 14, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated June 30, 2021:
 - Vouchers totaling \$16,351,691.52;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 9, 2021 through June 29, 2021 in the amount of \$47,260.05.
 - Approval of the net Payroll, Warrant Nos. 237508 through 237520 and Advice Nos. 715861 through 716670 for the pay period ending June 6, 2021 in the amount of \$2,203,899.38.
 - Approval of the net Payroll, Warrant Nos. 237521 through 237532 and Advice Nos. 716671 through 717476 for the pay period ending June 20, 2021 in the amount of \$2,287,116.49.
 - Approval of Warrant Nos. 27631 through 27681 totaling \$6,796.49 for claim payments from the workers' compensation self-insurance fund for the period ending June 28, 2021.
 - Approval of Parks Reservation System customer refunds for the period June 4, 2021 through June 22, 2021 in the amount of \$4,141.09.
 - Approval of debt service paid with reserve account interest earnings of \$924.12 for the period June 1, 2021 through June 30, 2021.
- Resolution 8. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER CONTRACT NO. 18-54 WITH BRIVO CORP. OF WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

Moved by: Commissioner Congdon

Seconded by: Commissioner Bolz

To accept the consent agenda as presented

Approved: Unanimously

Resolution 9

(see Chelan PUD website for resolutions)

- John Sagerser, Engineering and Project Management Manager, presented Resolution 9
- Resolution 9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1, 4 - PRE-CONSTRUCTION AND 5 – PRE-CONSTRUCTION AND AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE A GUARANTEED MAXIMUM PRICE AND SCHEDULE FOR THE REHABILITATION OF THE FIRST UNIT FOR CONTRACT 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT AND APPROVING CAPITAL BUDGET REVISIONS

Resolution 10

(see Chelan PUD website for resolutions)

- Kirk Hudson, Managing Director of Generation and Transmission, and Tim McMaster, Principle Project Manager, presented Resolution 10
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 5-09 AND 5-10 FOR UNIT B5, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. 6-03 FOR UNIT B8 FOR CONTRACT NO. 04-01 PART B FOR THE ROCK ISLAND B5-B10 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.

MOTION

Moved by: Commissioner Bolz
Seconded by: Commissioner Arseneault
To approve Resolutions 9 and 10 as presented
Approved: Unanimously

Delegation of Action Items

- Justin Erickson will provide information on future plans for the mature Rock Island facilities

Public Comment

- Scott Worden, of Crum Canyon, addressed Commissioners regarding fiber in Crum Canyon
 - Issues with phone connectivity; safety concerns
 - 16 addresses have signed a statement expressing interest in fiber
 - Bob Shane, Managing Director of Fiber and Telecom, noted that scheduling is forecast on an annual basis

Executive Session

Vice President McKenna convened an executive session at approximately 1:30pm 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 evaluate the qualifications of an applicant for public employment and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 90 minutes.

Executive session extended at 3:00pm for 15 minutes

Regular Session Reconvened at 3:10pm

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

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

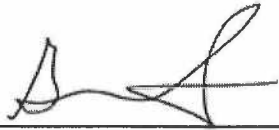
President

Vice President

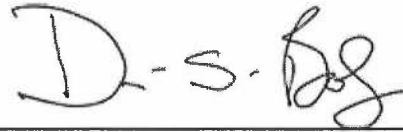
Secretary

Commissioner

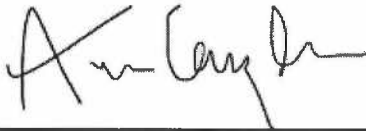
Commissioner



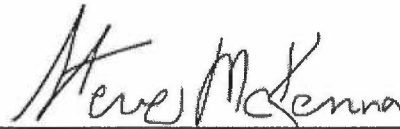
Garry Arseneault - Board Member
Approved on 7/30/2021 8:18PM PDT



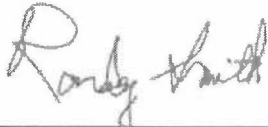
Dennis Bolz - Board Member
Approved on 7/20/2021 10:39AM PDT



Ann Congdon - Board Member
Approved on 7/21/2021 10:57AM PDT



Steve McKenna - Board Member
Approved on 8/2/2021 8:32AM PDT



Randy Smith - Board Member
Approved on 7/27/2021 10:39AM PDT

