

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington July 9, 2018

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 9, 2018, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Garry Arseneault
Ann Congdon via telephone
Steve McKenna
Randy Smith

Staff present: Steve Wright, General Manager
Erik Wahlquist, General Counsel
Teresa Boushay, Acting Clerk of the Board
Various staff

Others in attendance: Nevonne McDaniels, Wenatchee World
John Alt, Mayor City of Entiat

Call To Order

- Vice President Arseneault called the meeting to order at 10:00 am

Pledge of Allegiance and Safety Minute

- Jeff Osborn, Sr Licensing Compliance Specialist, led the pledge and provided a safety minute on boating and fishing operations.

Agenda was approved as presented

Entiat Marina

(see www.chelanpud.org for presentation)

- Michelle Smith, Hydro licensing/compliance Director, and Vicki Griffin, Real Estate & permitting Manager, discussed the need for a revised agreement with the City of Entiat to accurately identify properties and ownership in order for Entiat to locate, own, construct and operate a 65-slip marina within the Rocky Reach Project Boundary.
- This will be a permitted use of District property with conditions; this is a unique public-private partnership
- John Alt, Mayor of the City of Entiat, was not present during the presentation. However, he spoke later in the morning session, expressing his appreciation of the support by the Board of Commissioners over the years, and cooperation with District staff on this project.

Quarterly Electrical Load Growth Update

(see www.chelanpud.org for presentations)

- Andy Wendell, Customer Service director, and Chad Rissman, Distribution Asset Management director, reported on the continued growth in Chelan County driving new customer service requests including residential developments and large retail customers.
- They highlighted the efforts of Chelan County, the PUD and the five cities to coordinate planning and zoning for large utility infrastructure siting. Efforts are also focuses on developing policies, codes and safety standards for cryptocurrencies loads.

Two Dam Independence Project Update

(see www.chelanpud.org for presentations)

- Ryan Roy, Sr. Power Business Technical Analyst, and Chris McDarment, System Operations Manager, gave an update on the move to independent dam operations at Rock Island and Rocky Reach.
- Additional staff will be required to take on the complex responsibilities, which are anticipated to start in May 2019 when coordination agreement with Grant PUD ends.
- Commissioners requested the staffing resolution be brought forward at the following meeting, rather than consider at this time.

Cryptocurrency Rate Class

(see www.chelanpud.org for presentations)

- Lindsey Mohns, Customer Utilities Business Advisor, reviewed initial definitions of cryptocurrency operations in advance of the public hearing scheduled for Aug. 6 at 1 p.m.

Executive Session

Vice President Arseneault convened an executive session at approximately 11:20am 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), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), and to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c) for approximately 60 minutes.

Regular Session Reconvened at 11:48am

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

Recessed at 11:48 am and Reconvened at 1:00pm

Manager Items

- Gov. Inslee designated "Line Worker Appreciation Day" on July 10, 2018.
 - Commissioner Arseneault read the proclamation and recognized Tim Pettit, Line Operations Manager and superintendents Cody Murdoch and Dan Moser for the vital work their crews perform in less than ideal conditions.

Consent Agenda

- Vice President Arseneault presented the consent agenda which included the following items:
 - Minutes of the June 25, 2018 Regular Meeting and June 26, 2018 Special meeting
 - Vouchers: Accounts Payable Summary Report dated July 3, 2018:

- Vouchers totaling \$12,160,012.52;
- Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 20, 2018 through July 2, 2018 in the amount of \$12,947.42;
- Approval of the net Payrolls, Warrant Nos. 236038 through 236059 and Advice Nos. 655708 through 656547 for the pay period ending 06/24/2018 in the amount of \$2,136,801.37; and
- Approval of Warrant Nos. 24572 through 24607 totaling \$31,110.87 for claim payments from the workers' compensation self-insurance fund for the period ending July 2, 2018.

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To approve the consent agenda as written

Approved: Unanimously

Resolution 9

(see www.chelanpud.org for presentation)

- Kirk Hudson, Managing Director Generation and Transmission, presented Resolution 9 along with an overview of the foundational support for the incorporation of the Hydropower Research Institute.
- The bridging agreement allows for Chelan PUD's membership obligations to bridge the gap during incorporation and to appoint District representatives in order to carry out initial business operations.
- A RESOLUTION AUTHORIZING EXECUTION OF THE HYDROPOWER RESEARCH INSTITUTE MEMBERSHIP BRIDGING AGREEMENT AND DELEGATING THE AUTHORITY TO THE GENERAL MANAGER TO APPOINT THE DISTRICT'S REPRESENTATIVE(S) ON THE INSTITUTE'S BOARD OF DIRECTORS

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To approve Resolution 9 as presented

Approved: Unanimously

Commissioner Items

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

Move to set a special meeting on July 30, 2018 at 5:30 pm at Visconti's, 1737 N Wenatchee Ave, Wenatchee for the purpose of holding a Mid-C Commissioners and General Managers Meeting

Approved: Unanimously

Manager Items, continued

- Kim Craig, Public Information Officer informed the board about Hydro Appreciation Day at the Mariner's Game on July 22.
 - We are a co-sponsor of the event as result of partnering with FWEE- Foundation for Water and Energy Education. District employee Lisa Sanders shared her winning Haiku, which granted her 4 group tickets as a prize.
- Steve Wright gave an update on the investigation into the accident at Rock Island
 - They reviewed background, immediate actions, L&I investigation, and the internal investigation along with next steps; the District will use an outside firm to conduct the internal investigation

Commission Travel – Lisa Sanders, Administrative Assistant in Finance, gave an update on Commissioner travel for the remainder of 2018.

Follow Up on Delegation of Action Items from the June 25, 2018 Board Meeting

- No action items

Delegation of Action Items

- Andy Wendell & Chad Rissman
 - Organize multi-agency meeting to study/collaborate on planning for load growth
 - Communicate to Board on planning for infrastructure, including substations needs with developers
- Gregg Carrington & Ryan Roy - Investigate any trading revenue impacts related to the change in hourly coordination.

There being no other business, the meeting adjourned at 1:30 pm.

President

Secretary

Vice President

Commissioner

Commissioner