

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington July 15, 2019

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 15, 2019, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Garry Arseneault, President
Dennis Bolz
Ann Congdon
Steve McKenna
Randy Smith

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 10:00am

Pledge of Allegiance and Safety Presentation

(see Chelan PUD website for presentation)

- Jeremy Jordan, Program Manager – Operational Excellence and Strategy, led the pledge and provided information on Human Performance Improvement
- This month's training will focus on drift – modifications to processes or procedures that become routine and can diminish protections that were put into place
- Jeremy reviewed historical drifts over 40 years that contributed to the conditions under which the Exxon Valdez disaster occurred
- Three defenses to drift:
 - Those protected from risk understand what they are being protected from and why
 - Those that are being protected help write the rule or procedure
 - Everyone at every level continually monitors and improves the rules and procedures

Agenda

- The agenda was approved as presented

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the July 1, 2019 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated July 10, 2019:
 - Vouchers totaling \$6,418,038.85;

- Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 26, 2019 through July 09, 2019 in the amount of \$17,405.77;
- Approval of the net Payroll, Warrant Nos. 236568 through 236586 and Advice Nos. 675974 through 676821 for the pay period ending 06/23/2019 in the amount of \$2,157,151.60;
- Approval of Warrant Nos. 25808 through 25831 totaling \$5,650.79 for claim payments from the workers' compensation self-insurance fund for the period ending July 08, 2019.
- Resolution 10. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER SOLE SOURCE CONTRACT NO. 18-82 WITH BIOMARK, INC. OF BOISE, IDAHO
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-79 WITH HANCOCK SANDBLAST & PAINTING, LLC OF PASCO. WA. AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Bolz

To accept the consent agenda as presented

Approved: Unanimously

Cycle of Personal Ownership (CPO) Recognition

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized June CPO Winner Lorn Conner, Network Security Administrator

Quarterly Board Balanced Scorecard Status Update

(see Chelan PUD website for presentation)

- Commissioners reviewed metrics and noted exceptions in attendance at the Tri-Commission and Mid-C Commissioners and General Managers meetings due to scheduling conflicts; all other metrics are on track

Real Estate Delegated Authority

(see Chelan PUD website for presentation)

- Erik Wahlquist, General Counsel, reviewed proposed changes to delegated authority for real estate transactions
- Objectives are to combine the two current resolutions, better define routine transactions, and delegate authority to the General Manager (rather than to staff)
- Surplus or sale of real property, along with purchase of real property would still come to the Board for approval

Surplus Property Proposal

(see Chelan PUD website for presentation)

- Lisa Graves, Real Estate Specialist III, requested a public hearing to consider surplus of approximately 45 acres near Beebe Bridge park
- Douglas County Fire District 4 has identified need for a fire station in that area; the PUD does not have a need for the property as it is not within the project boundary
- The majority of the property is not useable due to very steep terrain
- A third-party appraisal valued the property at \$95k

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To set a public hearing for August 5, 2019, at 1:00 pm, to consider the declaration of an approximately 45 acre parcel of land on US 2/97, south of the Beebe Bridge in Douglas County, surplus to the District's needs, and direct staff to give the required notice of the hearing

Approved: Unanimously

Regional Transmission Planning Organization Contracts

(see Chelan PUD website for presentation)

- Kirk Hudson, Managing Director of Generation and Transmission, reviewed anticipated changes to the Regional Transmission Planning Organization beginning January 1, 2020
- The new entity (NorthernGrid) is a result of combining ColumbiaGrid and Northern Tier Transmission organizations
- Plan is to file documentation with FERC later this month for review

Resolution 12

(see Chelan PUD website for resolution)

- Dan Frazier, Director of Shared Services, reviewed Resolution 12
- The price of the parcel has been questioned
 - The parcel was appraised and while this amount is slightly higher than the appraisal, but is lower than nearby properties; the property market was depressed in 2008, 2009, and 2010
- Resolution 12. A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH THE NEVIO AND ELIZABETH TONTINI LIVING TRUST FOR THE PURCHASE OF REAL PROPERTY AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION

Manager Items

- Kirk Hudson, Managing Director of Generation and Transmission, reviewed upcoming outreach to Plain and Lake Wenatchee
 - July 17 @ 3:30-5:30pm at the Beaver Valley Lodge
 - July 27 @ 10:00am – 12:00pm at the Leavenworth PUD Office
- Ron Slabaugh, Water/Wastewater Manager, and Ingrid Miller, Debt and Grants Compliance Program Manager, shared the good news that the District has received additional funding for the Peshastin project from the Department of Ecology including \$745k in a low-interest loan and \$412k grant
 - This helps with some additional costs, but we will still have some level of costs to address in rate planning
- Suzanne Grassell, Government Affairs Program Manager, and Jeff Osborne, Senior License Compliance Specialist, reported on the recertification of Lake Chelan Project by the Low-Impact Hydropower Institute
 - The Institute board looks at projects from environmental, cultural, and natural resources perspectives
 - Certification is through September 2022
- John Wasniewski, Energy Analyst I, reported our application to the Department of Commerce for incremental hydro at Lake Chelan as a result of efficiency gains has been accepted as renewable energy
 - The current target is defined as 15% of our load; this gain was about a 5% unit efficiency gain
- Kim Craig, Public Information Officer, shared a video from Foundation for Water and Energy Education (FWEE) advertising the Seattle Sounders Hydro Appreciation Day on July 21

Commission Items

- Commissioner Smith had the opportunity to attend the Legislative Horizon Energy Institute and found it to be very informative

- Commissioner McKenna gave a correction to his statement at the last meeting; the Cascade School District has used a Design/Bid/Build process on their project, not a General Contractor/Construction Manager process
- Commissioners McKenna and Arseneault took advantage of Stemilt's offer to tour their Olds Station facility

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To set a special meeting on September 30, 2019 at 10:30 am at Confluence Technology Center, 285 Technology Center Way, Wenatchee for the purpose of holding a Board Workshop

Motion tabled until 1:00pm

Follow Up on Delegation of Action Items from the 7/1/19 Board Meeting

- Teresa Boushay will send link to Discovery Center Temporary Closure PSA to Commissioners – emailed 7/1/19
- Erik Wahlquist will send Decision Evaluation Criteria document to Commissioners – emailed 7/1/19

Follow Up on Delegation of Action Items from Previous Board Meetings

- Rebekah Garfein will follow up with Peter Spadoni on a tour of Stemilt's Olds Station campus for Commissioners Arseneault and McKenna – scheduled on 7/12/19
- Bob Shane will investigate revenue potential for shared radio capacity/availability on our microwave system – information sent by email from Mike Coleman on 7/10/19

Delegation of Action Items

- Rebekah Garfein will work with Commissioner Arseneault on a budget revision to support continued Commissioner training
- Erik Wahlquist will send Commissioners the two current real estate delegation resolutions along with the proposed new resolution

Recessed at 11:43am and Reconvened at 1:00pm

- Restated motion

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To set a special meeting on September 30, 2019 at 9:00am at Confluence Technology Center, 285 Technology Center Way, Wenatchee for the purpose of holding a Board Workshop

Approved: Unanimously

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Congdon

To approve Resolution 12 as presented

Approved: Unanimously

Executive Session

President Arseneault convened an executive session at approximately 1:05pm 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 120 minutes.


Regular Session Reconvened at 3:13pm

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

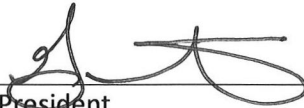
There being no other business, the meeting adjourned at 3:13pm.



Vice President



Commissioner



President



Secretary



Commissioner