

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington July 18, 2022

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 18, 2022, at the hour of 10:00 am, pursuant to proper notice thereof.

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

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

Guests present: Stacie de Mestre, Kelly Allen, Carnan Bergren, Emily Thornton

Call to Order

- President McKenna called the meeting to order at 10:02am

Pledge of Allegiance and Safety/HPI Minute

- Charles von Reis, Staff Attorney, led the pledge and provided information on lightening safety

Agenda

- The Fifth Street Redevelopment RFP decision was postponed to August 1, 2022
- Resolutions 11, 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)

- Kirk Hudson, General Manager, recognized June winner Shaun Harrington, Data Analyst II

Quarterly Board Balanced Scorecard Update

(see Chelan PUD website for presentation)

- Commissioners reviewed exceptions to Balanced Scorecard metrics

Climate Commitment Act Cost Burden Analysis

(see Chelan PUD website for presentation)

- Mike Bradshaw, Director Energy Structure Trading, provided a cost forecast to adopt a cap-and-invest program
- Reviewed anticipated direct, indirect, and administrative costs along with proposed next steps

Confluence Parkway Due Diligence

(see Chelan PUD website for presentation)

- Michelle Smith, Director Hydro Licensing and Compliance, provided an update on Confluence Parkway
- The City will provide a detailed schematic on proposed berm and wall placements for mitigation
- Reviewed detailed next steps to ensure all questions and requests are addressed

Manager Items

- Ron Gibbs, Insurance and Claims Manager, provided an update on the completed 2022 insurance renewal
 - Final insurance renewals came in 0.3% under budget
 - Wildfire policy renewal highlights the importance of mitigation measures the District has taken; anticipate property insurance will continue to be affected by inflation
- John Stoll, Managing Director Customer Utilities, gave an update on recent outages in the Squilchuck area
 - Reviewed issues that were discovered and how they were repaired
 - Commissioners expressed appreciation to staff for their hard work to quickly address the outages
- Kirk Hudson, General Manager, reported that the District will proceed with mosquito treatment this week at the Horan Natural area and Walla Walla park

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the July 5, 2022 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated July 13, 2022:
 - Vouchers totaling \$11,186,555.47;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 29, 2022 through July 12, 2022 in the amount of \$14,771.14.
 - Approval of the net Payroll, Warrant Nos. 237883 through 237891 and Advice Nos. 738113 through 738948 for the pay period ending July 3, 2022 in the amount of \$ 2,474,729.02.
 - Approval of Warrant Nos. 28632 through 28662 totaling \$7,241.83 for claim payments from the workers' compensation self-insurance fund for the period ending July 11, 2022.
 - Approval of Parks Reservation System customer refunds for the period June 22, 2022 through July 12, 2022 in the amount of \$2,940.00.
- Resolution 11. A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OREGON FOR THE PROCUREMENT OF CABLE BUS SYSTEM LONG LEAD MATERIALS FOR THE ROCK ISLAND POWERHOUSE NO. 2 - GENERATOR LEAD REPLACEMENT PROJECT (CONTRACT NO. 20-18)
- Resolution 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 20-11135) WITH ENVIRONMENTAL ASSESSMENT SERVICES, LLC. OF RICHLAND, WASHINGTON TO PROVIDE TECHNICAL ASSISTANCE WITH MEETING FERC AND ECOLOGY REQUIREMENTS AND TO ASSIST WITH WATER QUALITY PROGRAM OPERATIONS
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO SERVICES AGREEMENT (SA NO. 21-11409) WITH FOUR PEAKS ENVIRONMENTAL SCIENCE & DATA SOLUTIONS, LLC. OF WENATCHEE, WASHINGTON TO PROVIDE TECHNICAL ASSISTANCE AND SUPPORT SERVICES FOR WATER QUALITY MONITORING, MODELING AND STRATEGY DEVELOPMENT REGARDING COMPLIANCE

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Arseneault

To accept the consent agenda as revised to include Resolutions 11, 12, and 13

Approved: Unanimously

Resolution 14

(see Chelan PUD website for resolutions)

- Katie Marshall, Senior Technical Project Manager, and Alex Smith, Director Business Technology Solutions, presented Resolution 14
- Resolution 14. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICE AGREEMENT (SA NO. 21-11599) WITH UTILITY SOLUTIONS PARTNERS, LLC FOR CONSULTING SERVICES

Resolution 15

(see Chelan PUD website for resolutions)

- Gary Rice, Project Manager Principal, presented Resolution 15
- Resolution 15. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PURCHASE OF 15KV ARC RESISTANT METAL CLAD SUBSTATION SWITCHGEAR (BID NO. 21-12048) AND AUTHORIZING THE PURCHASE OF 15KV ARC RESISTANT METAL CLAD SUBSTATION SWITCHGEAR BE OBTAINED BY NEGOTIATION

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Arseneault

To approve Resolutions 14 and 15 as presented

Approved: Unanimously

Capital Budget Revision

- Lindsey Mohns, Business Services/Customer Utilities Manager, presented a capital budget revision for substation rehab work at Miller, Western, and South Shore substations and to establish a total project budget for construction of the North Shore substation getaways
- Proposed motion:
 - To increase the Total Project Budget and 2022 current year budget amount for capital project DSXX0006, Substation Equipment Replacements, in the amount of \$700,000 to complete SCADA and relay upgrades at Miller, Western and South Shore Substations and replace breakers at Summit Substation. The revised Total Project Budget and 2022 current year budget would both be \$1,200,000. And,
 - To establish a Total Project Budget in the amount of \$3.3 million for construction of North Shore Substation Getaways, capital project CAP_4060, and approve the current year 2022 budget of \$530,000.

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bolz

To approve the capital budget revision as presented

Approved: Unanimously

Commissioner Items

- Commissioner Arseneault noted that Washington PUD Association (WPUDA) held its summer conference in Wenatchee last week which was well-attended
 - Good information was exchanged, and several attendees noted the growth in Wenatchee
 - Recognized Kelly Boyd, Chief Financial and Risk Officer, for speaking at the WPUDA conference on strategic planning and budget
 - Commissioner McKenna toured the new Service Center with WPUDA and noted that staff did a great job
 - The conference was held adjacent to Walla Walla Park; expressed appreciation to staff on the Parks
- Commissioner Arseneault noted that as President of WPUDA, he has set a priority to have executive staff visit with each PUD
 - Have successfully completed four meetings with overwhelmingly positive response

Follow up on Delegation of Action Items from 7/5/22 Board meeting

- None

Delegation of Action Items

- Rebekah Neumann will add Climate Commitment Act to the next board workshop agenda
- Mike Bradshaw will determine if Climate Commitment Act administrative allowances can be included in credits

Recess at 11:26am, Reconvene at 1:00pm

Commissioner Congdon joined at this time

Executive Session

President McKenna convened an executive session at approximately 1:00pm 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 90 minutes.

Executive session extended at 2:30pm for 30 minutes

Regular Session Reconvened at 2:55pm

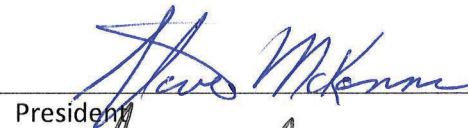
President McKenna stated no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting adjourned at 2:55pm

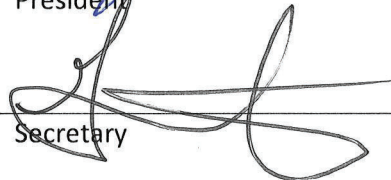


Vice President

Commissioner

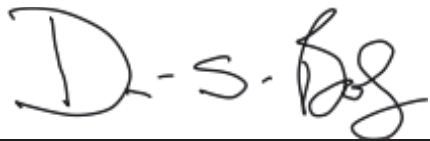


President



Secretary

Commissioner



Dennis Bolz - Board Member
Approved on 8/3/2022 4:52PM PDT



Randy Smith - Board Member
Approved on 8/5/2022 2:48PM PDT