

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington August 17, 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 August 17, 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

Call To Order

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

Pledge of Allegiance and Safety/HPI Minute

- Peter Vanney, Data Analyst II, led the pledge and provided information on COVID19 distancing and safe practices; we don't want to drift into complacency

Agenda

- The agenda was approved as presented

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized the July winner Vince Norton, Journeyman Mechanic

Quarterly Energy Resources Update

(see Chelan PUD website for presentation)

- Gregg Carrington, Managing Director of Energy Resources, gave an update on the market over the weekend
 - California went into system emergency on Friday and Saturday with rolling blackouts
 - The Northwest was able to provide some energy through the intertie, but not as much as California had planned on, due to supply and demand
 - The Northwest had record heat this weekend and several utilities used the recently-developed resource adequacy program to help each other during peak demand
- Gregg Carrington and Janet Jaspers, Director of Energy Operations, Planning and Trading, reviewed the 2nd Quarter report

- The Mid-C flat market price for 2020 has dropped \$7.47/MWh from \$28.30/MWh at budget to the current forecast of \$20.83/MWh; our hedging program has price locked in for most of our portfolio so there is not much impact to 2020 net wholesale revenue
- The Mid-C flat market prices for 2022-2025 have dropped between \$4.00 - \$5.00/MWh
- Numerous Northwest utilities looking to purchase renewables and capacity products
- The District's 2020 net wholesale revenue forecast and other energy-related revenues is \$84.0 million, which is \$0.7 million below budget
- Steve Wright, General Manager, noted the applause he's received on the role Gregg Carrington has taken on with Resource Adequacy
- Steve also noted the pricing differences between this year and last year; anticipate this year is more like what we'll see going forward

Rocky Reach Facilities Update

(see Chelan PUD website for presentation)

- Casey Hall, Project Manager II, and Brett Bickford, Director of Engineering and Project Management, reviewed the current status of the Rocky Reach facilities project
- Bids opened last week for Rocky Reach facilities exceeded budget by \$1.9M
 - Steps are being taken to meet budget, including moving the office building on top of the crew building as a third floor and rebidding 3 packages that were significantly over budget
- Discovery Center bid packages were over budget by about \$365k; steps are being taken to meet budget
- Commissioners indicated a willingness to consider budget revisions for costs related to COVID19; those were unanticipated and would have impacted existing facilities if we had not been in the process of building new facilities
 - These are 50-year facilities; with the best for the most for the longest in mind, we want to build them to the level of quality that will last

Fiber Acceleration Update

(see Chelan PUD website for presentation)

- Bob Shane, Interim Managing Director of Fiber and Telecom, provided further information on the fiber acceleration project
- In the current forecast, most expansion is already included in 2021-2024; the acceleration project pulls forward additional premises currently scheduled in 2025 and 2026
- All expansion will be completed by the end of 2024; the additional \$2M is to complete those expanded premises by 2024

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the August 3, 2020 Regular Meeting and August 11, 2020 Tri-Commission Meeting
- Vouchers: Accounts Payable Summary Report dated August 12, 2020:
 - Vouchers totaling \$8,943,872.38;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 29, 2020 through August 11, 2020 in the amount of \$19,266.80;
 - Approval of the net Payroll, Warrant Nos. 237134 through 237150 and Advice Nos. 698767 through 699555 for the pay period ending 08/02/2020 in the amount of \$2,109,333.27;
 - Approval of Warrant Nos. 26799 through 26832 totaling \$11,361.37 for claim payments from the workers' compensation self-insurance fund for the period ending August 10, 2020.
- Resolution 9. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 19-68 WITH SE INC. DBA SMITH EXCAVATION OF CASHMERE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

Moved by: Commissioner McKenna
Seconded by: Commissioner Smith
To accept the consent agenda as presented
Approved: Unanimously

Manager Items

- Kerri Wendell, Customer Relations Manager, provided a COVID19 Customer Impacts Update
 - We thought the commercial customers dollars past due would go down during last meeting's discussion; one account masked work completed to bring that balance down
 - The report will be prepared on a monthly basis going forward; staff will report on significant changes

Resolution 10

(see Chelan PUD website for resolution)

- Ron Slabaugh, Water/Wastewater Manager, reviewed Resolution 10
- Supply and water rights are anticipated to meet growth demands until about 2035; don't anticipate this will have any significant impact to that forecast
- Resolution 10. A RESOLUTION APPROVING A SECOND AMENDMENT TO WATER CONTRACT – REGIONAL WATER SYSTEM

Moved by: Commissioner Smith
Seconded by: Commissioner Bolz
To approve Resolution 10 as presented
Approved: Unanimously

Commission Items

- Commissioner Arseneault sits on a COVID recovery council hosted by the Chamber
 - At a recent meeting Chelan PUD was held out as a good citizen for our participation and sharing of assets for county-wide efforts

Follow Up on Delegation of Action Items from the 8/3/20 Board Meeting

- Erik Wahlquist will provide additional information on local improvement district bonds as a funding option for infrastructure cost recovery

Delegation of Action Items

- Kerri Wendell will compare 2020 unemployment numbers to 2019 unemployment numbers

Recessed at 11:47am and Reconvened at 12:47pm

Executive Session

President Arseneault convened an executive session at approximately 12:48pm 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 consider information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities pursuant to RCW 42.30.110(1)(a)(ii) for approximately 90 minutes.

Regular Session Reconvened at 2:04pm

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

There being no other business, the meeting adjourned at 2:04pm.

President

Vice President

Secretary

Commissioner

Commissioner



CHELAN COUNTY

Do you approve the 8/17/20 meeting minutes?:

Title: 08-17-20 Minutes.pdf

Filename: 08-17-20 Minutes.pdf

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Location: Resource Library / 2020

Approval Requested: 9/9/2020 8:03AM

Results: Approved: 5, Denied: 0, Abstained: 0

Approved By:

Garry Arseneault on 9/21/20 1:59PM Pacific Time (US & Canada)

Approved By:

Dennis Bolz on 9/12/20 11:18AM Pacific Time (US & Canada)

Approved By:

Ann Congdon on 9/16/20 1:25PM Pacific Time (US & Canada)

Approved By:

Steve McKenna on 9/21/20 7:52AM Pacific Time (US & Canada)

Approved By:

Randy L. Smith

Randy Smith on 9/10/20 6:27PM Pacific Time (US & Canada)