

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington September 8, 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 September 8, 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 10:04am

## **Pledge of Allegiance and Safety/HPI Minute**

- Kassie Bertilson, Senior Safety and Health Coordinator, led the pledge and provided information on how the five HPI principles apply to the recent railroad crossing, non-injury accident near Rock Island Dam

## **Agenda**

- The agenda was approved as presented

## **Public Power Benefit (PPB) Projects Update**

(see Chelan PUD website for presentation)

- Felicity Saberhagen, District Services Business Manager, gave an update on PPB funding and options for funding fiber acceleration
- Proposed funding the expansion buildout through 2021, then funding fiber connections beginning in 2022
- Reviewed other projects in progress; funding would be maintained for these projects
- Commissioners gave a head nod of support to fund the fiber expansion acceleration as proposed

## **Ohme Substation Update**

(see Chelan PUD website for presentation)

- Chad Rissman, Director of Distribution Asset Management, provided an update on Ohme substation and a request for additional funding
- Additional project expenses are anticipated in 2021 and will be included in the regular budget process
- Chad reviewed the substation budget background, construction schedule and lessons learned on double-bank substation design
- The design and contracting work done may result in cost savings for future substation projects as well

## MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Smith

To increase the Total Project Budget for the Ohme Substation Project (DS170006) by \$1,040,000 for a revised Total Project Budget of \$6,969,053

Approved: Unanimously

## Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the August 17, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated September 2, 2020:
  - Vouchers totaling \$16,348,008.26;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 12, 2020 through September 1, 2020 in the amount of \$40,346.94;
  - Approval of the net Payroll, Warrant Nos. 237151 through 237171 and Advice Nos. 699556 through 700343 for the pay period ending 08/16/2020 in the amount of \$2,072,363.85;
  - Approval of Warrant Nos. 26833 through 26885 totaling \$48,465.37 for claim payments from the workers' compensation self-insurance fund for the period ending August 31, 2020.

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To accept the consent agenda as presented

Approved: Unanimously

## Resolution 7

(see Chelan PUD website for resolution)

- Chad Rissman, Director of Distribution Asset Management, reviewed Resolution 7
- This is the implementation of our strategic plan goal to move distribution reliability into the top quartile
- Three primary objectives: 1) first quartile reliability, 2) public safety, and 3) wildfire risk mitigation
- Increasing this contract will allow us to move toward the 4/2/1 cycle proposed by consultants
  - Trim cycle every 4 years, inspect and trim faster-growing species every 2 years, and inspect areas at higher risk of fire every year
- Resolution 7. A RESOLUTION FOR APPROVAL OF FIELD WORK ORDER/CHANGE ORDER NO. 3 TO CONTRACT 17-78 WITH KEMP WEST, INC FOR 2018 – 2020 DISTRICT TREE TRIMMING

## Resolution 8

(see Chelan PUD website for resolution)

- Erik Wahlquist, General Counsel, reviewed Resolution 8
- FERC administrative fees are mandatory, annual, and budgeted and have a 10% late payment penalty
- The fees go through an internal and external review
- Implemented a number of lessons learned, including seeking delegation to the General Manager
- Resolution 8. A RESOLUTION RATIFYING PAYMENT OF THE 2020 FEDERAL ENERGY REGULATORY COMMISSION ADMINISTRATIVE ANNUAL STATEMENTS FOR THE LAKE CHELAN, ROCK ISLAND AND ROCKY REACH HYDROELECTRIC PROJECTS AND AUTHORIZING THE GENERAL MANAGER TO APPROVE PAYMENT OF FUTURE INVOICES AND ADVISE BOARD OF AMOUNTS

## **Resolution 9**

(see Chelan PUD website for resolution)

- Vicki Griffin, Real Estate and Permitting Manager, and Ian Adams, Hatchery Maintenance and Operations Coordinator, reviewed Resolution 9
- Secures the location of our current smolt traps for hatchery monitoring and evaluation in compliance with the Habitat Conservation Plan (HCP)
- Alternative locations were evaluated; the Schmitt property is the least cost alternative and is already developed for our purpose, which maintains the value of that investment
- Resolution 9. A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH RAYMOND C. SCHMITTEN FOR THE PURCHASE OF REAL PROPERTY AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION
- This resolution will be considered at the next meeting to allow time for public comment

## **Resolution 10**

(see Chelan PUD website for resolution)

- Casey Hall, Project Manager II, reviewed Resolution 10
- Casey gave a budget update on the Central Maintenance and Discovery Center facilities along with options to move forward on the project
- Staff recommends budget revisions to maintain the current scope for the two project
- TCF Architecture and Lydig Construction have contributed to make this project successful; TCF has reduced their administrative fee and Lydig has donated an entry art wall in the Discovery Center
- Resolution 10. A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE PHASE 2 WORK OF THE ROCKY REACH CENTRAL MAINTENANCE FACILITY IMPROVEMENTS TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND AND ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To approve Resolutions 7, 8, and 10 as presented

Approved: Unanimously

**Recessed at 12:10pm and Reconvened at 1:02pm**

## **Manager Items**

- Tracy Yount, Interim Director of Safety and HPI, gave an update on the workers compensation fund
  - As a self-insured organization we are required to maintain a \$1M workers compensation fund
  - There are several factors that impact the workers compensation fund including the number and severity of claims that draw down the fund and the contribution rate applied to replenish it
  - As of August 2020, we have had fewer and less severe claims; a side benefit is that we are able to reduce the rates that replenish the fund by about 20%, saving the District about \$174k per year
- Janel Ulrich, Manager of Hydro Licensing, gave an update on Rock Island early action projects
  - Memorandum of Understanding (MOU) has been signed with the North Central Washington Audubon Society; MOUs are pending with the City of Rock Island, City of Wenatchee, and Chelan County in conjunction with the Malaga/Colockum Community Council
- Ryan Baker, Parks Manager, informed Commissioners about upcoming parks projects
  - Confluence State Park boat launch project October 5 - October 30 to replace both ramps with a concrete rail system; State Parks replaced the floats about 5 years ago
  - Confluence State Park erosion project September 21 – November 10
    - Bank stabilization project, north of the boat launch and just east of the Apple Capital Loop trail

- The trail will be closed for safety purposes with a detour from Odabashian bridge to the park entrance
- Andrew Grassell, Energy Development and Conservation Manager, updated Commissioners on several items
  - Ag Strategic Energy Management - Cascade Energy looks at the whole facility and identifies a number of no-cost, low-cost, and capital items; we work with facility operators to develop a project package
    - This makes up a large portion of our conservation savings
  - Marketing Focus on Simple Steps Lighting Program
    - Worked with partners to reduce cost of lighting options at the point of purchase
    - This is a regional project; will be discontinued due to lack of funding
    - Used marketing channels to increase awareness of this program to gain value before it ends
  - Virtual home audits will begin this week
  - Stehekin virtual open house starts this week to gather customer comments
- Teka Sellers, Customer Outreach Specialist II, reported on outreach regarding planned outages
  - Increased concern with planned outages due to working and schooling from home
  - Postcards and emails will be sent this week to all residential customers; also working with school districts
  - We appreciate customers' understanding and need to continue planned maintenance to mitigate longer, unplanned outages
- Steve Wright, General Manager, noted that the COVID19 report was provided for Commissioners' information; no significant changes, although overdue balances have gone down since the last meeting
- Chad Bowman, Director of Transmission and Compliance, gave an update on fire activity
  - Issues that are mostly resolved:
    - Chief Joseph Dam tripped offline yesterday; impact to us was that telemetry values froze or went to zero, which created uncertainty in predicting river flow
      - There was a lot of good coordination with Energy Planning & Trading, System Operations, and PowerEx
    - Line crews are working closely with fire personnel on the Apple Acres fire north of Chelan; there are at least 4 distribution poles that need to be replaced
  - Current issue:
    - All customers in Chelan have power; there are usually 3 transmission lines that serve Chelan and we are down to just one
      - The Avista line went out of service yesterday morning and is currently inaccessible
      - Douglas is rebuilding the Chelan #1 line as part of the McNeil Canyon agreement; discussed options for putting that line back into service, but it may be resource-constrained
      - Reaching out to key stakeholders to raise awareness
  - Poles and crews will be in high demand across eastern Washington over the next few weeks

#### **Commission Items**

- Fall Board Workshop
  - MOTION
  - Moved by: Commissioner Smith
  - Seconded by: Commissioner McKenna
  - To set a special meeting on Friday, October 9, 2020 @ 9:00am to be held virtually for the purpose of holding a Fall Board Workshop. Virtual meeting information will be posted on the PUD website
  - Approved: Unanimously
- Commissioner Smith noted that the Hydropower Research Institute recently passed a milestone, adding the third member of the Board, New York Power Authority

#### **Commissioner Travel**

- Lisa Sanders, Legal Administrative Assistant, reviewed upcoming Commissioner travel

**Follow Up on Delegation of Action Items from the 8/17/20 Board Meeting**

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

**Follow Up on Delegation of Action Items from Previous Board Meetings**

- Erik Wahlquist will provide additional information on local improvement district bonds as a funding option for infrastructure cost recovery – follow up completed with Commissioner Arseneault on 8/19/20

**Delegation of Action Items**

- Andrew Grassell will share the Stehekin virtual open house website with Commissioners

**Executive Session**

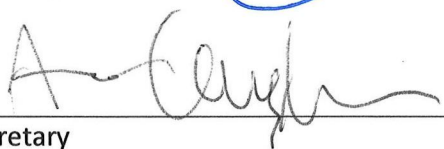
President Arseneault convened an executive session at approximately 1:52pm to discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) for approximately 90 minutes.


**Regular Session Reconvened at 3:35pm**

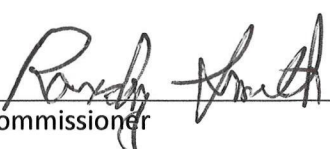
President Arseneault stated no votes were taken and no decisions were made during Executive Session


There being no other business, the meeting adjourned at 3:35pm.

  
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President

  
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Secretary

  
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Vice President

  
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Commissioner

  
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