

MINUTES OF REGULAR MEETING OF THE COMMISSION  
OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON

September 20, 2016

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 North Wenatchee Avenue, Wenatchee, Washington, on September 20, 2016, at the hour of 10:00 a.m., pursuant to proper notice thereof.

Commissioners present were Randy Smith, Dennis Bolz, and Carnan Bergren. Commissioner Ann Congdon participated via telephone. Commissioner Garry Arseneault was excused. In attendance were General Manager Steve Wright, General Counsel Erik Wahlquist and Clerk of the Board Sheila Salmon.

Others in attendance: Steve McKenna, Nathan Pate, John Dryer, Robin Voge, Carl and Carolyn Granger, Jel Nalski, Ken Jantan, Kelly Duffe, Don and Noreen Summers and Christine Pratt (Wenatchee World).

Marcie Steinmetz led the Pledge of Allegiance and provided a safety minute.

President Smith presented the Agenda for approval. The agenda was approved as written.

Fiber Loop Rate – Managing Director of Fiber and Telecom Mike Coleman presented “Rate Design for Public Benefit”. (See [www.chelanpud.org](http://www.chelanpud.org) for the president.) Commissioners heard a proposal for changing wholesale fiber rates that while not increasing revenues now would better position the PUD to meet increasing demands for service. Manager Coleman, and consultant Doug Dawson said the move will simplify rates by charging service providers based on broadband use; offer an incentive for service providers to reach more homes and businesses by allowing them to create more affordable packages; and provide revenue to the PUD as needed to invest in the network as broadband demand increases. Commissioners will be asked to act on the move from service-based to “loop” rates this fall.

Consumer Privacy Policy – Cathy Melton, Customer Service Program Analyst, presented a new policy to protect customer information and privacy. (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation.) Staff will seek board action of the policy at the October 3, 2016 meeting.

2017 – 2021 Business Plans – General Manager presented “2017-2021 Business Planning. (See [www.chelanpud.org](http://www.chelanpud.org) for the presentation.) Commissioners reviewed business plans for the utility’s 2017 operations and financial forecasts for the next five years and beyond. This broad overview, based on commissioner input, will be used as starting points for developing the 2017 budget and business plans. Managing Directors provided an overview of each of their operating plans.

The meeting reconvened at 1:00 p.m.

Chelan Substation Update - Andy Wendell, Director of Customer Service along with Chad Rissman, Director District Asset Management, provided an update on Substation Siting. (See

## MINUTES OF REGULAR MEETING OF THE COMMISSION

September 20, 2016

Page 2

[www.chelanpud.org](http://www.chelanpud.org) for the presentation.) Commissioners reviewed work done with the community and the customer focus groups over the past year to find locations for a new substation to serve Leavenworth and the north shore of Lake Chelan. Existing substations in both areas are near 80-percent capacity. New power stations are needed to meet future growth and provide reliable service, said Director Rissman, Commissioners directed staff to move ahead with analysis of the three possible sites identified by the community for a new substation to serve Leavenworth. A consultant will do detailed cost analysis for each site and create renderings with details on what a substation would look like including distribution lines. Results of the analysis will be discussed at a community meeting on November 2, 2016. Leavenworth City Administrator Joel Walinski thanked the community focus group and PUD staff for the work done so far. Only two sites were identified between Chelan and Manson, and one was just withdrawn by the property owner from consideration. Several neighbors repeated objections to the withdrawn site. Director Rissman said it is important to evaluate more than one site to reach a good decision. General Manager Steve Wright said the open process worked as intended as community discussion brought up issues that led to the one site being withdrawn from consideration, and he urged those community members present to stay engaged with the District to find additional, acceptable sites to evaluate. Several of those present committed to staying involved with the PUD. Commissioners noted the time for finding options for a substation on the north shore of Lake Chelan is now. Construction is planned to start in 2019 and takes two years. Board members directed staff to bring them a revised timeline for reaching a decision, alternate locations to evaluate and the costs involved and the impacts on the system if the process needs to be extended beyond January 1, 2017.

President Smith presented the consent agenda which consisted of the minutes of the September 6, 2016 regular meeting for approval.

The Auditor's memorandum dated September 13, 2016 supporting documentation and District's Computer Report, which certify, pursuant to RCW 42.24.080, that the District received certain goods, services and other considerations specified therein and describes as follows were presented for approval:

1. Vouchers totaling \$7,747,119.08;
2. Approval of Customer Deposit Returns and Conservation Incentive payments dated September 13, 2016 in the amount of \$40,870.39;
3. Approval of the net Payrolls, Warrant Nos. 234665 through 234695 and Advice Nos. 620581 through 621323 for the pay period ending 09/04/2016 in the amount of \$1,755,518.22;
4. Approval of Warrant Nos. 22771 through 22810 totaling \$11,144.55 for claim payments from the workers' compensation self-insurance fund for the period ending September 12, 2016.

MINUTES OF REGULAR MEETING OF THE COMMISSION

September 20, 2016

Page 3

A motion was made by Commissioner Bolz, seconded by Commissioner Bergren and passed adopting the Consent Agenda, minutes of the September 6, 2016 meeting and the above listed vouchers which are on file in the offices of the District.

Commissioners considered the following resolutions:


RESOLUTION NO. 16-14065 DECLARING DANIEL L. SUN, INC. DBA SUN-NET CONSULTING OF SAN JOSE, CA AS THE CONTINUED SOLE SOURCE SUPPLIER OF TOTAL OUTAGE APPLICATION (TOA) SOFTWARE AND APPROVING AMENDMENT NO. 2 TO CONTRACT NO. 06-50 WITH SUN-NET CONSULTING FOR SYSTEM IMPLEMENTATION SERVICES TO SUPPORT THE TOA SOFTWARE UPGRADE AND SUPPORT SERVICES

RESOLUTION NO. 16-14066 RATIFYING FIELD WORK ORDER NOS, 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 15-38 WITH ABACUS RESOURCE MANAGEMENT COMPANY OF BEAVERTON, OREGON, AND AUTHORIZING PAYMENT OF RETAINAGEMENT (06-073) WITH PEER TECHNICAL, INC. OF FOND DU LAC, WISCONSIN

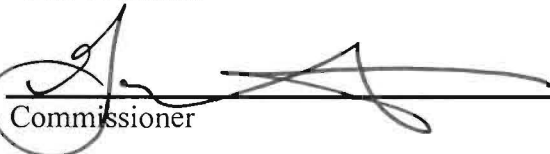
A motion was made by Commissioner Bolz, seconded by Commissioner Bergren and passed to adopt Resolution No.16-14065 and 16-14066, which are on file in the office of the District.


There being no other business, the meeting adjourned at 3:15 p.m.

  
\_\_\_\_\_  
Vice President

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner