

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington September 20, 2021

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 20, 2021, at the hour of 10:00 am, pursuant to proper notice thereof.

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

Staff present: Steve Wright, General Manager
Erik Wahlquist, General Counsel
Teresa Boushay, Acting Clerk of the Board
Various staff

Guests Present: Gill Williams, Greenworks
Jason King, Greenworks
Laura Merrill, City of Wenatchee

Call to Order

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

Moment in History

- Commissioner Smith acknowledged historical milestone circulated by Willard Fields, Energy Planning Senior Analyst, regarding Wells Dam License approval for Douglas PUD rather than (PSE) Puget Sound Energy

Pledge of Allegiance and Safety/HPI Minute

- Jim White, Senior Energy Conservation Engineer, led the pledge and provided information on ladder safety

Agenda

- Resolution 11 was moved to the consent agenda; the agenda was approved as revised

CPO Winner Recognition

- General Manager Steve Wright recognized the Cycle of Personal Ownership award winners in August:
 - Trent Grigsby, Control Systems Engineer IV, for his continuous improvement efforts to support the District's independent river operations
 - Pat Eakle, Journeyman Mechanic, whose attention and experience during the inspection of stator soleplate keys led to a preemptive fix and adaptation of standard processes for future inspections

Riverfront Park Master Plan

(see Chelan PUD website for presentation)

- Justin Erickson, District Services Managing Director, led an update on the collaborative effort with the City of Wenatchee on shaping the Riverfront Park Master plan
 - Contractor, Greenworks, reviewed the current process including public feedback that has been received and shared an overview of elements under consideration for future park enhancements
 - Public Open House is scheduled on Tuesday, September 28, between 8:00-10:00 and 12:00-3:00 at the Pybus Market LocalTel Events Center
 - Online survey also available for public feedback on the Chelan PUD website

Hydro Modernization Contingency Plan

- Kirk Hudson, Generation & Transmission Managing Director, presented contingency plans for hydro modernization projects in order to continue progress on capital projects and respond to unanticipated work
 - Efforts include:
 - Contingency contracts to execute Rocky Reach C10 & C11 turbine repairs and Rock Island Powerhouse 1 modernization work
 - Utilize specialized dock crew contracts
 - Garner expertise from Energy Northwest to manage critical path tasks
 - Hire 4 additional hydro mechanics as a temporary increase in baseline staffing
 - Commissioners agreed to the additional 4 positions and noted appreciation for re-evaluating options in order to complete the projects

Executive Session

President Smith convened an executive session at approximately 11:00am 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 evaluate the qualifications of an applicant for public employment and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 60 minutes.

Regular Session Reconvened at 11:44am

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

Recess at 11:44am, Reconvene at 1:01pm

Consent Agenda

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

- Minutes of the September 7, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated September 15, 2021:
 - Vouchers totaling \$35,882,736.45.
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 11, 2021 through August 31, 2021 in the amount of \$22,624.97.
 - Approval of the net Payroll, Warrant Nos. 237572 through 237585 and Advice Nos. 719902 through 720712 for the pay period ending August 15, 2021 in the amount of \$2,249,533.66.
 - Approval of Warrant Nos. 27798 through 27889 totaling \$21,049.79 for claim payments from the workers' compensation self-insurance fund for the period ending August 30, 2021.
 - Approval of Parks Reservation System customer refunds for the period August 5, 2021 through August 18, 2021 in the amount of \$3,352.01.
 - Approval of debt service paid with reserve account interest earnings of \$539.07 for the period September 1, 2021 through September 30, 2021.

- Resolution 8. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 19-71 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDALE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
- Resolution 9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-77 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDALE WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 11. A RESOLUTION APPROVING INTERCONNECTION AGREEMENT TEMPLATES AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE AND ENTER INTO INTERCONNECTION AGREEMENTS

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Bolz

To accept the consent agenda as modified to include Resolution 11

Approved: Unanimously

Resolution 10

(see Chelan PUD website for resolutions)

- Brett Bickford, Director of Engineering & Project Management, presented Resolution 10
- Requesting ratification of 6 executed Field Work Orders (No. 15-20) and authorization of Field Work Order 21 to reimburse contractor for tariff charges for the purchase of steel components from China for \$649,810.25
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 15 THROUGH 20, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. 21 TO CONTRACT 16-60 WITH ANDRITZ HYDRO

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To approve Resolution 10 as presented

Approved: Unanimously

Manager Items

- Kerri Wendell, Customer Accounting Manager, briefed the Commission on COVID19 customer impacts
 - Data remains fairly consistent over the past 3 months
 - The moratorium on disconnecting delinquent accounts will be expiring September 30
 - Reminders on account status and available support programs are provided in monthly bills, informational disconnect notices, and efforts will be escalating to communicate via mail, email, phone and doorhangers
- Ryan Baker, Parks Manager, provided information on bank stabilization work taking place at Beebe Bridge campground and Kirby Billingsley Hydro Park
 - More public access will be created, estimated cost around \$1.1 Million
- Steve Wright, General Manager, shared current strategies regarding the Columbia River Treaty
 - Working with Senator Cantwell on possible inclusion of some aspects in Senate Infrastructure Bill
 - River operations aimed at maximizing value, taking into account energy surpluses due to other energy sources
 - Potential for funding New Transmission between the US and Canada
 - Reduce uncertainty for Flood Control post 2024
 - Address the non-issuance of the Treaty Termination Notice

Commission Items

- Commissioner Smith commended General Manger Steve Wright’s Leadership presentation given during last week’s WPUA Commissioner meeting

Follow up on Delegation of Action Items from 9/7/21 Board meeting

- None

Delegation of Action Items

- Kerri Wendell will compare total customer assistance since March 2020 vs the normal rate

Recess at 1:32pm, Reconvene at 2:00pm

Matters of General Business

- Offering General Manager position to Kirk Hudson

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Bolz

To offer to Kirk Hudson an employment agreement to be the District’s General Manager beginning January 1, 2022, for an initial term of five years at a starting salary of \$339,480.00, leave accrual at the maximum rate plus eight days, and other standard employee benefits offered by the District

Approved: Unanimously

- After an extensive national search, Kirk Hudson, current Managing Director of Generation & Transmission, is set to become the 13th General Manager of Chelan County PUD

There being no other business, the meeting adjourned at 2:07pm.

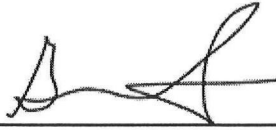
President

Vice President

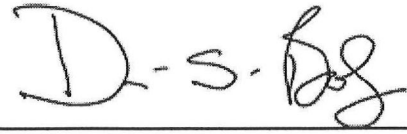
Secretary

Commissioner

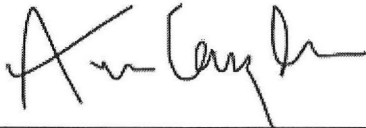
Commissioner



Garry Arseneault - Board Member
Approved on 10/13/2021 9:35AM
PDT



Dennis Bolz - Board Member
Approved on 10/7/2021 11:15AM PDT



Ann Congdon - Board Member
Approved on 10/7/2021 9:16AM PDT



Randy Smith - Board Member
Approved on 10/5/2021 1:03PM PDT