

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington September 21, 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 21, 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 10:02am

Pledge of Allegiance and Safety/HPI Minute

- Allison Brodine, Compensation Program Manager, led the pledge and provided information on the importance of getting a flu shot; the best time to get a flu shot is September or October

Agenda

- The agenda was approved as presented

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the September 8, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated September 16, 2020:
 - Vouchers totaling \$7,330,562.45;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 2, 2020 through September 15, 2020 in the amount of \$29,170.46;
 - Approval of the net Payroll, Warrant Nos. 237172 through 237188 and Advice Nos. 700344 through 701123 for the pay period ending 08/30/2020 in the amount of \$2,039,328.67;
 - Approval of Warrant Nos. 26886 through 26920 totaling \$25,243.98 for claim payments from the workers' compensation self-insurance fund for the period ending September 14, 2020.
- Resolution 9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-10, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-06 WITH CACHE VALLEY ELECTRIC COMPANY OF LOGAN, UT AND AUTHORIZING PAYMENT OF RETAINAGE

- Resolution 10. 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

Moved by: Commissioner Bolz
Seconded by: Commissioner Congdon
To approve the consent agenda as presented
Approved: Unanimously

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized August CPO winners Jim McDonnell, Technician, and Bing White, Journeyman Wireman

From Energy Efficiency to Customer Energy Solutions

(see Chelan PUD website for presentation)

- Andrew Grassell, Energy Development and Conservation Manager, reviewed the department shift from Energy Efficiency to Customer Energy Solutions
- Andrew reviewed the reasons for the change, the group's proposed mission, and the team's focus

Regional Water Update

(see Chelan PUD website for presentation)

- Ron Slabaugh, Water / Wastewater Manager, gave an update on regional water issues
- Goal is to provide the Greater Wenatchee area with a safe and reliable water supply well into the future
 - Planning source improvements for capacity and redundancy
 - Acquiring additional water rights when feasible
 - Realize value of excess water rights through temporary lease for beneficial uses
- Commissioners agreed with moving forward on the Crown and Lineage water rights

Rocky Reach Large Unit Water-Filled Hub Conversion

(see Chelan PUD website for presentation)

- Brett Bickford, Director of Engineering and Project Management, and Dan Garrison, Director of Hydro Operations, gave an update on the staff recommendation to convert units C10 and C11 to water-filled hubs
- Reviewed advantages along with risks, concerns, and risk mitigations
- The turbine runner hub is the only area in the turbine where the oil does not have secondary containment
- New materials have been used in submarines for about 20 years; endurance tests will determine longevity
- We reserve the ability to replace the water with oil if the performance or wear does not meet expectations

Resolution 14

(see Chelan PUD website for resolution)

- Brett Bickford, Director of Engineering and Project Management, reviewed Resolution 14
- Brett noted that trunnion bushings are engineered for 20-year life; warranty is for 5 years
- Resolution 14. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-14, 2-15, AND APPROVING EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 3-04, FOR THE SECOND AND THIRD UNITS UNDER CONTRACT NO. 14-22 WITH VOITH HYDRO, INC. OF YORK, PA FOR ROCKY REACH UNITS C-8 THROUGH C-11 TURBINE REPAIRS

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz
To approve Resolution 14 as presented
Approved: Unanimously

Manager Items

- John Stoll, Managing Director of Customer Utilities, gave an update on Douglas County mutual aid request
 - The District sent two crews and a general foreman to coordinate restoration efforts
 - Crews were in the field for five days – 18 hours on and 6 hours off; a second set of crews relieved them over the weekend
 - Steve Wright, General Manager, noted that normally three transmission lines serve Chelan; those are down to just one line until the other two come back online later this year
 - Once urgent needs are met, we will be discussing further with Douglas PUD the best way to manage transmission line maintenance

Resolution 11

(see Chelan PUD website for resolution)

- Brett Bickford, Director of Engineering and Project Management, and Mitch Clark, Project Manager II, reviewed Resolution 11
- This closes out the contract for K&N Electric for refurbishment of wicket gates
- Reviewed lessons learned and proposed mitigations for future projects
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-76 WITH K&N ELECTRIC, INC. OF SPOKANE VALLEY, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

Resolution 12

(see Chelan PUD website for resolution)

- Lance Keller, Senior Fisheries Biologist, reviewed Resolution 12
- Blue Leaf Environmental has a positive working relationship with the District and exceptional knowledge of passive and active fish tagging processes along with a superior database infrastructure and analytical capabilities to manage long-term data sets
- Resolution 12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICE AGREEMENT (NO. 20-25) WITH BLUE LEAF ENVIRONMENTAL, INC. OF ELLENSBURG, WASHINGTON FOR THE ROCK ISLAND HCP CONFIRMATION SURVIVAL STUDY

Resolution 13

(see Chelan PUD website for resolution)

- Steve Wickel, Transmission Engineering Manager, reviewed Resolution 13
- Schweitzer Engineering Laboratories has been the sole source provider since 2011; new contract negotiated to meet new CIP 13 standards
- Resolution 13. A RESOLUTION DECLARING SCHWEITZER ENGINEERING LABORATORIES, INC. OF PULLMAN, WA AS THE SOLE SOURCE SUPPLIER OF PROTECTION AND AUTOMATION EQUIPMENT FOR USE AT THE DISTRICT'S HYDROELECTRIC FACILITIES AND TRANSMISSION AND DISTRIBUTION SYSTEMS

Moved by: Commissioner Bolz
Seconded by: Commissioner Congdon
To accept Resolutions 11, 12, and 13 as presented
Approved: Unanimously

Manager Items

- Steve Wright, General Manager, updated Commissioners on:

- Commissioners Smith and McKenna will join staff on a visit to Peshastin this week to review water and wastewater implications for a new development application along with fruit storage companies regarding discharge volumes
- The District has filed comments on the California Independent System Operator's review on governance; the District is generally supportive of CAISO's path, but still have some significant issues that need to be addressed

Commission Items

- Commissioner Smith was thrilled last week during the Washington PUD Association social hour to see Barbara Tilly; reminded of the leadership that Chelan PUD has provided to WPUDA for a very long time
- Commissioner Congdon will be on KOZI radio tomorrow with Bill Christman and Michelle Smith to discuss Lake Chelan levels
- Commissioner McKenna commended staff on the Stehekin virtual open house website
- Commissioner Arseneault will participate in a forum on Wednesday in Bellingham; will participate in a virtual community leadership program on Friday through the Chamber

Follow Up on Delegation of Action Items from the 9/8/20 Board Meeting

- Andrew Grassell will share the Stehekin virtual open house website with Commissioners – completed 9/8/20

Delegation of Action Items

- None

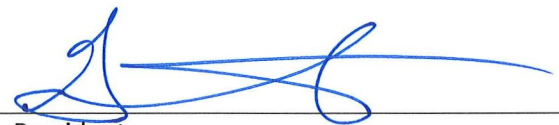
Executive Session

President Arseneault convened an executive session at approximately 12:06pm 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 15 minutes.

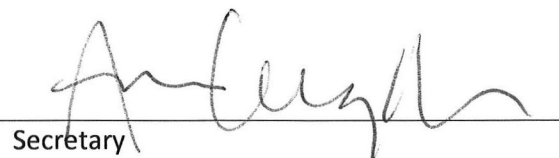
Regular Session Reconvened at 12:21pm

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


There being no other business, the meeting adjourned at 12:21pm.




 President



 Secretary



 Commissioner



 Vice President



 Commissioner