

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington October 1, 2018

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 October 1, 2018, at the hour of 1:00 pm, pursuant to proper notice thereof.

**Commissioners present:** Dennis Bolz, President  
Garry Arseneault  
Ann Congdon  
Steve McKenna  
Randy Smith

**Staff present:** Steve Wright, General Manager  
Erik Wahlquist, General Counsel  
Rebekah Garfein, Clerk of the Board  
Various staff

**Others in attendance:** Nick Martini

## Call To Order

- President Bolz called the meeting to order at 1:02pm

## Pledge of Allegiance and Safety Minute

- Cathy Melton, Customer Service Program Analyst, led the pledge and provided a safety minute on hearing protection

## Agenda

- The agenda was approved as presented

## Introduction

- Steve Wright, General Manager, introduced Justin Erickson, Managing Director of District Services
- Justin is a Washington native who most recently was the City Manager in Shawnee, OK

## Apprenticeship Program

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Dave Parkhill, Safety Training Program Administrator, provided an update on the District's apprenticeship program
- The District has 8 programs, with apprentices currently enrolled in 4 programs
- Keeps highly-skilled employees at the District
- Heard from current instructor Eric Steele, Technician, current apprentice Justin Wilkinson, Mechanic Apprentice, and graduate Brian Lowe, Distribution Stations Superintendent

## **Draft 5-Year Business Plans**

(see [www.chelanpud.org](http://www.chelanpud.org) for presentation)

- Steve Wright, General Manager, and Kelly Boyd, Chief Financial and Risk Officer, gave an overview of the 2019-2023 business plan and financial forecasts
- The debt ratio target goal was achieved one year early in 2018 and strong finances allow the District to focus on improving the state of aging hydro and distribution assets
- Key areas of focus are: hydro capability, distribution reliability, safety, and operational excellence
- Managing Directors presented their top priorities for the coming 5-year period

## **Consent Agenda**

- President Bolz presented the consent agenda which included the following items:
  - Minutes of the September 17, 2018 Regular Meeting
  - Vouchers: Accounts Payable Summary Report dated September 26, 2018:
    - Vouchers totaling \$17,916,271.67;
    - Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 12, 2018 through September 25, 2018 in the amount of \$29,183.98;
    - Approval of the net Payrolls, Warrant Nos. 236166 through 236186 and Advice Nos. 660494 through 661280 for the pay period ending 09/16/2018 in the amount of \$2,063,819.62; and
    - Approval of Warrant Nos. 24809 through 24867 totaling \$15,140.97 for claim payments from the workers' compensation self-insurance fund for the period ending September 24, 2018.
  - Resolution 8. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-69 WITH RIMMER & ROETER CONSTRUCTION, INC. OF CASHMERE, WA AND AUTHORIZING PAYMENT OF RETAINAGE
  - Resolution 9. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 15-52 WITH BURKE ELECTRIC, LLC OF BELLEVUE, WA AND AUTHORIZING PAYMENT OF RETAINAGE

### **MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To approve the consent agenda as presented

Approved: Unanimously

## **Resolution 10**

(see [www.chelanpud.org](http://www.chelanpud.org) for resolution)

- Andy Wendell, Director of Customer Service, presented Resolution 10
- Resolution 10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE A 1.63 ACRE PARCEL OF LAND LOCATED ADJACENT TO HIGHWAY 97A IN THE CITY OF ENTIAT FROM R&S RENTALS, LLC

### **MOTION**

Moved by: Commissioner Congdon

Seconded by: Commissioner Arseneault

To approve Resolution 10 as presented

Approved: Unanimously

## **Resolution 11**

(see [www.chelanpud.org](http://www.chelanpud.org) for resolution)

- Dan Frazier, Director of Shared Services, presented Resolution 11

- Resolution 11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LEASE AGREEMENT WITH PORT OF CHELAN COUNTY FOR THE LEASE OF A PORTION OF PORT INDUSTRIAL BUILDING NUMBER 5 (IB No. 5) LOCATED IN WENATCHEE, WASHINGTON

### **Resolution 12**

(see [www.chelanpud.org](http://www.chelanpud.org) for resolution)

- John Sagerser, Manager of Engineering and Project Management, presented Resolution 12
- Received approval from the State PRC Board last week to proceed with the design-build process
- Resolution 12. A RESOLUTION APPROVING A REQUEST FOR QUALIFICATION (RFQ) (NO. 18-10) FOR ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

### **Resolutions 13 and 14**

(see [www.chelanpud.org](http://www.chelanpud.org) for resolution)

- Bob Shane, Director of Network Operations, presented Resolutions 13 and 14
- Bob noted that questions from the Utility Services Policy Committee had been addressed
- Resolution 13. A RESOLUTION RESCINDING AND REPLACING RESOLUTION NO. 17-14199 AND ADOPTING NEW TELECOMMUNICATION RATES FOR WHOLESALE TELECOMMUNICATIONS SERVICES BY SERVICE PROVIDERS ON THE DISTRICT'S BROADBAND SYSTEM
- Resolution 14. A RESOLUTION TO REVISE THE DISTRICT'S TELECOMMUNICATION SERVICE INSTALLATION POLICY

### **MOTION**

Moved by: Commissioner McKenna

Seconded by: Commissioner Smith

To approve Resolutions 11, 12, 13, and 14 as presented

Approved: Unanimously

### **Manager Items**

- Kim Craig, Public Information Officer, announced next week is Public Power Week
  - Will be celebrating hydropower with donuts and cider in Chelan, Wenatchee, and Leavenworth and an event at Pybus Market on Saturday, October 6
- Kirk Hudson, Managing Director of Generation & Transmission, and Suzanne Hartman, Communications Manager, gave an update on helicopter surveys which will occur throughout October
  - There will be more sensors used during this survey to gather more data
  - Information will include corona and heat monitoring, items in proximity to the lines, and vegetation management
- Steve Wright, General Manager, reported on an issue in the Southeast US around the Vogle nuclear plant, currently under construction
  - Costs for that project have gone up significantly
  - Jacksonville Electric has filed suit against MEAG asserting that their power purchase agreement should be subject to FERC regulation
  - Both Jacksonville Electric and MEAG are members of APPA and the Large Public Power Council, pushing this to the forefront for all other members

### **Commission Items**

- Commissioner Smith has been approached for a chair position on the APPA Policy-Makers committee; this would culminate with Commissioner Smith holding the committee chair position



**Commissioner Travel**

- Lisa Sanders, Finance Admin Assistant, gave an update on Commissioner travel for the remainder of 2018

**Follow Up on Delegation of Action Items from the 9/17/18 Board Meeting**

- Mike Coleman will gather information on what service providers are doing to help low-income customers; in process, will be reported at a future meeting
- Alene Underwood will report on what it costs us to achieve no net impact; in process, will be reported at a future meeting

**Additional Public Comment**

- Nick Martini addressed the Commission regarding construction concerns impacted by the cryptocurrency moratorium

**Delegation of Action Items**

- Erik Wahlquist will work with staff to determine what options are available to Martini to address his construction concerns that the District can address without violating the current moratorium

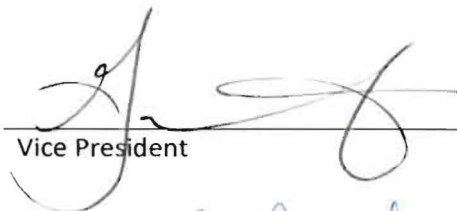
**Executive Session**


President Bolz convened an executive session at approximately 3:45pm 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), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), and to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c) for approximately 75 minutes.

**Regular Session Reconvened at 4:55pm**

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


There being no other business, the meeting adjourned at 4:55pm.

  
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 Vice President

  
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 Commissioner

  
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 President

  
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 Secretary

  
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 Commissioner