

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington October 17, 2022

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 17, 2022, at the hour of 10:00 am, pursuant to proper notice thereof.

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

Staff present: Kirk Hudson, General Manager
Charles von Reis, Acting General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Guests present: Malachi Salcido, Carnan Bergren, Aurora Flores

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Dave Parkhill, Senior Safety and Health Coordinator, led the pledge and provided information on applying HPI principles to fall yard maintenance activities

Agenda

- Resolutions 16 and 17 were moved to consent; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Kirk Hudson, General Manager, recognized September winners Christopher Lamb, Electrical Engineer II, and Kristin Lodge, Visitor Services Manager

Quarterly Board Balanced Scorecard Status Update

(see Chelan PUD website for presentation)

- Commissioners reviewed exceptions to Balanced Scorecard metrics

2023 Budget Targets and Major Assumptions

(see Chelan PUD website for presentation)

- Dave Nelson, Strategic Financial Planning Manager, reviewed the budget timeline, strategic focus, guidelines and assumptions, and next steps

Upper Valley Transmission Line Outreach

(see Chelan PUD website for presentation)

- Rachel Hansen, Senior Communications Strategist, and Steve Wickel, Interim Director Transmission and Compliance, reviewed the project background, needed improvements for fire resilience, initial options, and a new alternative based on customer-owner feedback
- Provided an overview of recommended outreach activities including a mailer to all stakeholders and drop-in sessions
- Discussed trade-offs of current plan compared to earlier alternatives

Rock Island Relicensing Update

(see Chelan PUD website for presentation)

- Janel Ulrich, Hydro Licensing Manager, provided an update on relicensing activities
- Participants of three technical working groups include local Tribes, federal agencies, state agencies, local governments, non-governmental organizations, and various community members and consulting firms
- Reviewed early engagement studies and evaluations and the Malaga Park early action project status

Consideration of Demand Response, Demand Flexibility, and Electric Vehicle Charging Programs Under the Public Utility Regulatory Policy Act (PURPA)

(see Chelan PUD website for presentation)

- Andrew Grassell, Energy Development/Conservation Manager, reviewed ratemaking standards required under the 2021 Infrastructure Investment and Jobs Act for demand-response and electric vehicle charging
- Reviewed PURPA regulation and standards previously considered by the Board
- Reviewed staff actions and timeline for Board decision; a decision is due by November 15, 2023

Confluence Parkway Due Diligence

(see Chelan PUD website for presentation)

- Michelle Smith, Director Hydro Licensing and Compliance, reviewed updated City timeline for the Confluence Parkway project
- The City continues to work on Section 106 documentation; will likely continue through the end of the year

Manager Items

- Ron Slabaugh, Water/Wastewater Manager, gave an update on last week's Peshastin Water District meeting
 - 11 members of the public attended
 - Ron shared guiding philosophy for this project; further discussed potential \$38 residential rate adder and what would impact that adder amount
 - This acquisition project is in response to Peshastin Water District's request that the District consider acquisition, initially made in 2016
- Brett Bickford, Managing Director Generation and Transmission, gave an update on fire hardening efforts
 - There was a wildfire adjacent to Rocky Reach dam in September
 - Had recently done grubbing and pole painting work in that area; the fire did not damage the poles
 - Shared information on the County's water storage tank project
 - On October 10 Commissioner Smith and Brett attended a Chelan County project tour
 - Proposal is to distribute water tanks around the county to assist in fire protection efforts
 - The District will work with the Fire Marshal to see if any of our properties may work for water tank placement
- Justin Erickson, Managing Director Shared Services, gave an update on Riverfront Park improvements
 - Reviewed renderings presented and feedback received during the September open houses
 - Presented an updated option blending together the preferred features of each design; the design will be further refined to incorporate additional feedback
 - Commissioners confirmed staff is on the right track with the splash pad

- Reviewed pavilion and restroom design options
- Next steps include presentations at upcoming City meetings
- A drilling rig is in the park over the next few days performing geotechnical work
- Anticipated timeline is to put the project out to bid next year, with construction in 2024

Recess at 11:58am, Reconvene at 1:04pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the September 27, 2022 Special Meeting, October 3, 2022 Regular Meeting, and October 12, 2022 Special Meeting
- Vouchers: Accounts Payable Summary Report dated October 12, 2022:
 - Vouchers totaling \$12,267,167.28;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 28, 2022 through October 11, 2022 in the amount of \$81,362.88.
 - Approval of the net Payroll, Warrant Nos. 237954 through 237964 and Advice Nos. 743073 through 743886 for the pay period ending September 25, 2022 in the amount of \$ 2,520,173.94.
 - Approval of Warrant Nos. 28853 through 28889 totaling \$3,348.89 for claim payments from the workers' compensation self-insurance fund for the period ending October 10, 2022.
 - Approval of Parks Reservation System customer refunds for the period September 28, 2022 through October 11, 2022 in the amount of \$210.00.
- Resolution 13. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-88 WITH BRIVO CORP. OF CHENEY, WASHINGTON FOR UNIT PRICE DREDGING AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 16. RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 22-12438) WITH STANTEC CONSULTING SERVICES, INC. OF BELLEVUE, WA FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO HYDRO PROJECTS
- Resolution 17. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICE AGREEMENT (NO. 22-12509) WITH BLUE LEAF ENVIRONMENTAL, INC. OF ELLENSBURG, WASHINGTON FOR THE ROCKY REACH HCP CONFIRMATION SURVIVAL STUDY

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To accept the consent agenda as revised to include Resolutions 16 and 17

Approved: Unanimously

Resolution 14

(see Chelan PUD website for resolutions)

- Jennifer Pickel, Business Manager, and Ian Fitzgerald, Chief Technology Officer, presented Resolution 14
- Following a new strategic direction at the District; strategy to reduce context and focus on core value technology
- This is an example of using new, cloud-based technology to replace old, on-premise solutions
- Resolution 14. A RESOLUTION AUTHORIZING AN AMENDMENT TO CONTRACT 20-10919 WITH ENHANCE TELECOMMUNICATIONS, INC. D/B/A ETI SOFTWARE SOLUTIONS OF NORCROSS, GEORGIA FOR FIBER PORTAL REPLACEMENT SOFTWARE, IMPLEMENTATION, AND SUPPORT

Resolution 15

(see Chelan PUD website for resolutions)

- Tim McMaster, EPM Interim Manager, presented Resolution 15
- Resolution 15. A RESOLUTION APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3 TO BID NO. 21-30 FOR HYDRO GENERATION MECHANICAL SITE LABOR WITH BENDER CCP, INC. OF VERNON, CALIFORNIA

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To approve Resolutions 14 and 15 as presented

Approved: Unanimously

Commissioner Items

- Washington PUD Association (WPUDA) scholarship nominee – Eli Willard, son of Catherine Willard, was selected as the District’s scholarship nominee

- Governance Policies Update

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Congdon

To approve the proposed revisions to the Governance Policies and adopt the Policies as revised

Approved: Unanimously

- 2023 Board Meeting Schedule

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To approve the modified regular Board meeting schedule for calendar year 2023 to accommodate holidays and industry meetings by moving the following meetings:

- January 3, 2023 to January 9, 2023
- January 16, 2023 to January 23, 2023
- May 15, 2023 to May 22, 2023
- June 19, 2023 to June 26, 2023
- July 3, 2023 to July 10, 2023
- July 17, 2023 to July 24, 2023

All meetings to be held in the headquarters board room, 327 North Wenatchee Ave., Wenatchee, WA and all to commence at 10:00 am unless further modified by future Board action.

Approved: Unanimously

Follow up on Delegation of Action Items from 10/3/22 Board meeting

- None

Follow up on Delegation of Action Items from 10/12/22 Board workshop

- Kirk Hudson will consider where building staff resiliency and capability along with innovation fit into strategic goals.
- Kirk Hudson and Rebekah Neumann will work with Erik Wahlquist to develop a proposed protocol for handling employee concerns brought to Commissioners.
- Kirk Hudson will look for a resource to provide training to Commissioners on governance best practices and public meeting management

Delegation of Action Items

- Kelly Boyd will provide the interest rate for debt on which we are making early payments.

Executive Session

President McKenna convened an executive session at approximately 1:38pm 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 90 minutes.

Regular Session Reconvened at 3:05pm

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

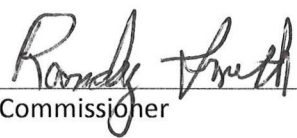
There being no other business, the meeting adjourned at 3:05pm

President 

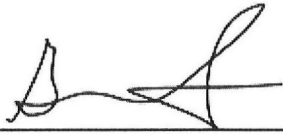
Vice President

Secretary

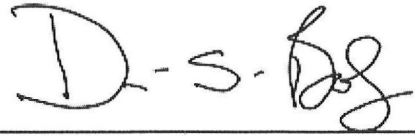
Commissioner



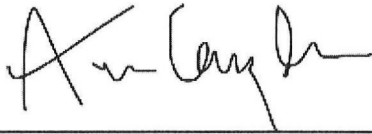
Commissioner



Garry Arseneault - Board Member
Approved on 11/14/2022 6:42PM
PST



Dennis Bolz - Board Member
Approved on 11/10/2022 11:48AM
PST



Ann Congdon - Board Member
Approved on 11/11/2022 2:45PM
PST