

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington December 5, 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 December 5, 2022, at the hour of 10:00 am, pursuant to proper notice thereof.

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

**Staff present:** Kirk Hudson, General Manager  
Erik Wahlquist, General Counsel  
Lisa Sanders, Acting Clerk of the Board  
Various staff

**Guests present:** Kelly Allen, Carnan Bergren, Dave Arbaugh, Paul Schmidt, Kalie Worthen

## **Call to Order**

- President McKenna called the meeting to order at 10:00am

## **Pledge of Allegiance and Safety/HPI Minute**

- Jacob Morgan, Business Manager Generation & Transmission, led the pledge and provided information on a case study related to how Human Performance Indicators can improve production with continuous improvement
- Commissioner McKenna invited the public to bid a fond farewell to Commissioners Bolz and Congdon - Monday, December 19, 2022 from 9:00am – 10:00am at Gerald's Place, Chelan County PUD HQ, 327 N Wenatchee Avenue

## **Pre-Legislative Update**

- Kelli Scott, Government/External Affairs Program Manager, provided a legislative update
- Staff discussed a preview of the election results, the upcoming state legislative session overview, Chelan PUD legislative priorities, WPUDA legislative priorities, and federal funding

## **Upper Valley Transmission Outreach Results**

- Steve Wickel, Director - Transmission & Compliance, and Rachel Hansen, Communications Strategist Sr., provided an update on the Upper Valley Transmission Outreach Results
  - Staff recommended moving forward with an estimated \$30 million project to improve fire resiliency along the Beverly-McKenzie transmission line in the Leavenworth-Plain area

## **MOTION**

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bolz

To direct staff that considering the public outreach and input received, we direct staff to move forward with design and implementation of Alternative 3 for the Plain and Lake Wenatchee Resiliency project

Approved: Unanimously

### **Identity Theft Prevention Program**

- Erik Wahlquist, General Counsel, provided an update on Identity Theft Prevention program
- Staff provided an update to the Board that no identity theft failures have occurred in the past year

### **Agenda**

- Resolutions 10, 11, 12, 14 and 15 were moved to consent; the agenda was approved as revised

### **Public Comment**

- Paul Schmidt thanked Commissioners Bolz and Congdon for their service; he also shared appreciation of the PUD team for all they do for the community

### **Consent Agenda**

(see Chelan PUD website for resolutions)

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

- Minutes of the November 21, 2022 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated November 30, 2022:
  - Vouchers totaling \$15,586,915.55.
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 16, 2022 through November 29, 2022 in the amount of \$72,490.72.
  - Approval of the net Payroll, Warrant Nos. 237997 through 238008 and Advice Nos. 746325 through 747114 for the pay period ending November 20, 2022 in the amount of \$ 2,473,144.41.
  - Approval of Warrant Nos. 28983 through 29022 totaling \$16,278.37 for claim payments from the workers' compensation self-insurance fund for the period ending November 28, 2022.
- Resolution 10. A RESOLUTION AUTHORIZING AMENDMENT NO. 11 TO SERVICES AGREEMENT (SA NO. 17-002) WITH SAPERE CONSULTING, INC. OF WALLA WALLA, WA FOR MANAGEMENT CONSULTING SERVICES
- Resolution 11. A RESOLUTION AUTHORIZING CHANGE ORDER NO. 2 TO SERVICES AGREEMENT (SA NO. 17-177) WITH COMPUTER 5 INC. DBA LOCALTEL COMMUNICATIONS OF EAST WENATCHEE, WASHINGTON TO PROVIDE LOCAL EXCHANGE CARRIER SERVICES
- Resolution 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO ENABLING AGREEMENT (PSA NO. 20-10977) WITH EXPRESS SERVICES, INC. DBA EXPRESS EMPLOYMENT PROFESSIONALS TO PROVIDE TEMPORARY EMPLOYMENT SERVICES
- Resolution 14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 22-12646) WITH MACKAY & SPOSITO, INC. OF VANCOUVER, WASHINGTON FOR DISTRICT UTILITY AND INSPECTION SERVICES
- Resolution 15. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR ROCKY REACH TRANSFORMER FIRE PROTECTION UPGRADE (BID NO. 22-12271) AND AUTHORIZING THE ROCKY REACH TRANSFORMER FIRE PROTECTION UPGRADE BE OBTAINED BY NEGOTIATION

### **MOTION**

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bolz

To accept the consent agenda as revised to include Resolutions 10, 11, 12, 14, and 15

Approved: Unanimously

### **Resolution 9**

(see Chelan PUD website for resolutions)

- David Nelson, Manager – Strategic and Financial Planning, presented Resolution 9
- Resolution 9. A RESOLUTION APPROVING THE 2023 DISTRICT BUDGETS FOR THE FIBER NETWORK, WATER, WASTEWATER AND INTEGRATED ELECTRIC (DISTRIBUTION, TRANSMISSION, COLUMBIA RIVER-ROCK ISLAND HYDRO-ELECTRIC, LAKE CHELAN HYDRO-ELECTRIC, ROCKY REACH HYDRO-ELECTRIC SYSTEMS, TREASURY SERVICES, INTERNAL SERVICE SYSTEM AND FINANCING FACILITIES) BUSINESS LINES

#### **MOTION**

Moved by: Commissioner Bolz

Seconded by: Commissioner Congdon

To approve Resolution 9 as presented

Approved: Unanimously

### **Resolution 13**

(see Chelan PUD website for resolutions)

- George Velazquez, Engineering and Project Management Manager, presented Resolution 13
- Resolution 13. RESOLUTION DECLARING HITACHI ENERGY USA, INC. OF RALEIGH, NORTH CAROLINA AS THE SOLE SOURCE SUPPLIER FOR THE MATERIALS, EQUIPMENT, AND TECHNICAL SERVICES NECESSARY TO THE GENERATOR CIRCUIT BREAKER REBUILD AND REPAIR FOR ROCKY REACH AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH HITACHI ENERGY USA, INC. (NO. 22-12563)

#### **MOTION**

Moved by: Commissioner Congdon

Seconded by: Commissioner Bolz

To approve Resolution 13 as presented

Approved: Unanimously

### **Western Power Pool's Western Resource Adequacy Program**

(see Chelan PUD website for presentation)

- Shawn Smith, Managing Director of Energy Resources, provided an update on the Western Power Pool's Resource Adequacy Program
- Heard input from Carnan Bergren

### **Resolution 16**

(see Chelan PUD website for resolutions)

- Shawn Smith, Managing Director of Energy Resources, presented Resolution 16
- Resolution 16. A RESOLUTION AUTHORIZING THE DISTRICT'S PARTICIPATION IN THE WESTERN POWER POOL'S WESTERN RESOURCE ADEQUACY PROGRAM

#### **MOTION**

Moved by: Commissioner Bolz

Seconded by: Commissioner Arseneault

To approve Resolution 16 as presented

Approved: Unanimously

### **Manager Item**

- Ron Slabaugh, Water/Wastewater Manager, updated Commissioners that he attended the Regional Water meeting where the 2023 budget was discussed, and notified the Board there will be a one-time expense of \$309,000 to replace the motor of pump #2 motor
  - Staff are working to lease excess water rights to Crown Columbia for the third year through the water rights mitigation agreement
- Peshastin Water District transfer agreement update; the District may set water rates following the execution of the agreement and closing
- Kelly Boyd, Chief Financial / Risk Officer, discussed cost allocations from the 2022-2024 strategic planning process. There is a focus on Water/Wastewater and Fiber becoming more self-sustaining over time. Staff is asking for confirmation to continue this direction to continue the zero percent cost allocation until the Service Center project is complete.
- Ana Aguirre, Customer Relations Supervisor, updated Commissioners on three new payment kiosks. They are located in Leavenworth, Wenatchee and Chelan. It has been very successful the first week.

### **Commissioner Travel**

- Lisa Sanders, Legal Office Administrator, reviewed upcoming Commissioner travel

### **Commission Items**

- Commissioner Arseneault attended the WPUA annual conference

### **Follow up on Delegation of Action Items from 11/21/22 Board meeting**

- Shawn Smith will provide additional information on how WRAP will impact wholesale prices and markets – completed via email 12/2/22

### **Recess at 12:00pm, Reconvene at 1:00pm for executive session**

#### **Executive Session**

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

#### **Regular Session Reconvened at 2:02pm**

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

There being no other business, the meeting adjourned at 2:03pm

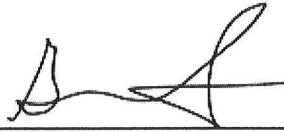
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President *Steve McKenna*

*Anna Croyden*  
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Vice President

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Secretary

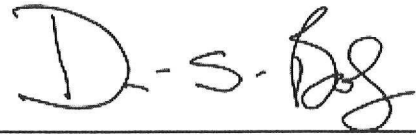
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Commissioner

*Randy Smith*  
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Commissioner



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Garry Arseneault - Board Member  
Approved on 12/22/2022 9:16AM  
PST



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Dennis Bolz - Board Member  
Approved on 12/21/2022 8:20PM  
PST