

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington June 20, 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 June 20, 2022, at the hour of 10:00 am, pursuant to proper notice thereof.

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

Staff present: Kirk Hudson, General Manager
Erik Wahlquist, General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Guests present: Kelly Allen, Steve Wilkinson, Dorry Foster, Rufus Woods, Carnan Bergren, Steve Robinson, Emily Thornton, Libby Williams, Aurora Flores, and Emily Watt

Call to Order

- President McKenna called the meeting to order at 10:01am

Pledge of Allegiance and Safety/HPI Minute

- Luke Gilbert, Chief Operator, led the pledge and provided information on lock out tag out procedures and how HPI improves performance

Agenda

- Resolutions 12 and 17 were moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Kirk Hudson, General Manager, recognized May winner Dani Flaget, Administrative Assistant II

5th Street Redevelopment RFP Process Update

(see Chelan PUD website for presentation)

- Dan Frazier, Director Shared Services, presented the 5th Street redevelopment proposal recommendation
- Reviewed:
 - Process and selection team members
 - Proposals in rank order as scored by the selection team
 - Primary elements of each proposal along with strengths and weaknesses of each and how they compared to the community vision

- Recommendation is to advance the top two proposals to a short list in order to gather additional information
- Thank you to the Chelan Douglas Regional Port, City of Wenatchee, Downtown Association, and Chamber of Commerce for their support in this process

2022-2023 Insurance Program Renewal Update

(see Chelan PUD website for presentation)

- Ron Gibbs, Insurance and Claims Manager, provided an annual update on insurance premiums and renewal
- Insurance policies renewal date is July 1, 2022; premiums and terms will be negotiated up to renewal date
- Discussed challenging insurance markets and driving factors
- Reviewed program considerations, underwriter meetings, premium summary, and next steps

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To authorize expenditures by the District not to exceed \$5,000,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2022-2023 policies upon terms and conditions approved by the General Manager

Approved: Unanimously

Dryden Wastewater Treatment Facility Improvements

(see Chelan PUD website for presentation)

- Court Hill, Project Management Manager, provided a project update in advance of the consideration of Resolution 15
- Reviewed project cost and funding and next steps
- Staff has done extensive research on the Commerce grant and anticipate the cost to administer would be near or exceed the value of the grant; the District does not plan to accept that grant funding
- Court confirmed that the Dryden system serves 50 equivalent residential customers

Confluence Parkway Due Diligence

(see Chelan PUD website for presentation)

- Kirk Hudson, General Manager, noted that most work is currently focused on the noise study consultant and reviewed the timeline for results of the study

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the June 6, 2022 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated June 15, 2022:
 - Vouchers totaling \$12,476,590.89;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 1, 2022 through June 14, 2022 in the amount of \$27,638.14.
 - Approval of the net Payroll, Warrant Nos. 237862 through 237872 and Advice Nos. 736462 through 737290 for the pay period ending June 5, 2022 in the amount of \$ 2,444,368.74.
 - Approval of Warrant Nos. 28569 through 28595 totaling \$30,202.91 for claim payments from the workers' compensation self-insurance fund for the period ending June 13, 2022.
 - Approval of Parks Reservation System customer refunds for the period June 1, 2022 through June 14, 2022 in the amount of \$1,750.00.

- Resolution 11. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 21-13 WITH SE, INC., DBA SMITH EXCAVATION OF CASHMERE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
- Resolution 12. A RESOLUTION AUTHORIZING AN AMENDMENT TO SERVICES AGREEMENT (SA-TA NO. 10-230) WITH ERGONARE, INC. TO PROVIDE MAXIMO SOFTWARE CONSULTING AND SUPPORT
- Resolution 17. A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO EXECUTE A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 22-12203) WITH HDR ENGINEERING, INC. OF NEBRASKA FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO LARGE LOAD TRANSMISSION INTERCONNECTION PROJECT

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To approve the consent agenda as revised to include Resolutions 12 and 17

Approved: Unanimously

Resolution 13

(see Chelan PUD website for resolutions)

- Rich Hyatt, Director Security, presented Resolution 13
- Resolution 13. A RESOLUTION AUTHORIZING AN AMENDMENT TO SERVICES AGREEMENT (SA NO. 17-100) WITH UNIVERSAL PROTECTION SERVICE LP DBA ALLIED UNIVERSAL SECURITY SERVICES TO PROVIDE DISTRICT UNARMED SECURITY SERVICES

Resolution 15

(see Chelan PUD website for resolutions)

- Court Hill, Project Management Manager, presented Resolution 15
- Resolution 15. A RESOLUTION APPROVING BID ADVERTISEMENT, AWARD, AND CONTRACT EXECUTION FOR THE DRYDEN WASTEWATER TREATMENT FACILITY IMPROVEMENTS (BID NO. 21-32)

Resolution 16

(see Chelan PUD website for resolutions)

- Casey Hall, Senior Project Manager, presented Resolution 16
- Resolution 16. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. D-24 AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. D-25 TO CONTRACT 18-33 FOR THE ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT WITH LYDIG CONSTRUCTION, INC. OF SPOKANE VALLEY, WA

Resolution 18

(see Chelan PUD website for resolutions)

- Tim Scheumann, Project Manager, presented Resolution 18
- Resolution 18. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 3 AND AUTHORIZE EXECUTION OF FIELD WORK ORDER CHANGE ORDER NO. 4 TO CONTRACT 21-04 ROCK ISLAND POWERHOUSE 2 DRAIN PIPING REPLACEMENT

Resolution 19

(see Chelan PUD website for resolutions)

- Heather Irelan, Treasurer, presented Resolution 19
- Resolution 19. A RESOLUTION DECLARING OFFICIAL INTENT UNDER U.S. TREASURY REGULATIONS OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON TO PAY OR REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Smith

To accept Resolutions 13, 15, 16, 18, and 19 as presented

Approved: Unanimously

Board-Designated Service Center Fund Use

- Heather Irelan, Treasurer, presented a proposed motion to allow use of the Board-designated service center fund

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Smith

To direct staff to apply amounts deposited in the Board designated Headquarters/Service Center Strategic Facilities Fund to project costs

Approved: Unanimously

Manager Items

- Brett Bickford, Managing Director Generation & Transmission, provided an update on the Rock Island Powerhouse 1 drop gate structure
 - Structural analysis identified vulnerability in the Rock Island Fishway Drop Gate Structure; no impact to daily operations
 - Recommendation is to mitigate risk from moderate seismic event or extreme water surface elevation; not an imminent threat, but repairs are recommended

Recess at 12:00pm, Reconvene at 1:02pm

Commissioner Congdon left at this time

Resolution 14

(see Chelan PUD website for resolutions)

- Robb Davis, Staff Attorney, presented Resolution 14
- Robb and Emily Watt, Microsoft, noted how well the negotiating team worked together
- Resolution 14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LARGE LOAD INTERCONNECTION AGREEMENT

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To accept Resolution 14 as presented

Approved: Unanimously

Commission Items

- Commissioners Smith and Arseneault attended APPA National conference and shared information from the conference

Follow up on Delegation of Action Items from 6/6/22 Board meeting

- Alex Dunn will review customer service data on satisfaction levels of renters with average bills over \$75. Alex will also provide information on what percentage of customers were reached on a cell phone vs landline.
- Heather Irelan will provide cost information for Rocky Reach and Rock Island facilities – completed via email 6/7/22

- Rebekah Neumann will work with Commissioner McKenna to schedule the WPUDA visit with Commissioners.

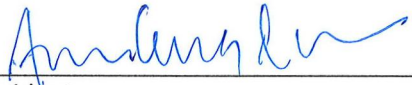
Delegation of Action Items

- None

There being no other business, the meeting adjourned at 1:23pm



President



Vice President

Secretary

Commissioner

Commissioner

D-S. Bolz

Dennis Bolz - Board Member
Approved on 7/6/2022 2:14PM PDT