

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
203 OLDS STATION ROAD
WENATCHEE WA 98801**

REGULAR COMMISSION MEETING

SEPTEMBER 21, 2026

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/H&OP Minute – Matt Treat
2. Approval of the Agenda
3. State Auditor Stewardship Award Presentation
4. Hydro Modernization Update, Part 2
5. Chelan County Interlocal Agreement
6. Public Comment
Time for public comments or questions related to matters not covered by the agenda

BUSINESS SESSION

Consent Agenda

7. Minutes of the September 8, 2026 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated September 15, 2026:
 - a. Vouchers totaling \$19,149,861.96;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 01, 2026 through September 14, 2026 in the amount of \$47,332.60.
 - c. Approval of the net Payroll, Warrant Nos. 239035 through 239038 and Advice Nos. 829621 through 830508 for the pay period ending September 06, 2026 in the amount of \$3,184,605.88.
 - d. Approval of Warrant Nos. 35184 through 35227 totaling \$13,329.28 for claim payments from the workers' compensation self-insurance fund for the period ending September 14, 2026.

Regular Agenda

9. RESOLUTION NO. 26-15102 AUTHORIZING CHANGE ORDER NO. 1 TO PRECONSTRUCTION NO. 2.0 TO KUNEY-BRENNAN JOINT VENTURE OF SPOKANE, WA UNDER CONTRACT NO. 24-13848 FOR THE ROCK ISLAND SPILLWAY
10. RESOLUTION NO. 26-15103 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO INTERLOCAL AGREEMENT NO. 26-15133 WITH THE WASHINGTON DEPARTMENT OF FISH AND WILDLIFE FOR ROCKY REACH LICENSE WILDLIFE HABITAT IMPLEMENTATION
11. RESOLUTION NO. 26-15104 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO INTERLOCAL AGREEMENT NO. 26-15138 WITH THE BUREAU OF LAND MANAGEMENT FOR ROCKY REACH LICENSE WILDLIFE HABITAT IMPLEMENTATION
12. RESOLUTION NO. 26-15105 AUTHORIZING THE PURCHASE OF 8.15 ACRES OF REAL PROPERTY LOCATED IN MALAGA, WASHINGTON, FROM WATER WORKS PROPERTIES LLC
13. Manager Items
14. Upcoming Learning Opportunities
15. Commission Items
 - a. Special Meeting
 - Proposed Motion: To set the following special meetings:
 - On Monday, November 30, 2026 @ 10:00am and at Confluence Technology Center, 285 Technology Center Way, Wenatchee, WA, for the purpose of a Board workshop, and
 - On Tuesday, December 15, 2026 @ 1:00pm at the Confluence Technology Center, for the purpose of a Tri-Commission Meeting
16. Follow-up on Delegation of Action Items from Previous Board Meeting
17. Delegation of Action Items
18. Additional Public Comment
19. Matters of general business as may necessarily come before the Commission
20. Executive Session: 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 ____ minutes

This agenda and resolutions (if any) may be revised by the Commission as appropriate.

RESOLUTION NO. 26-15102 AUTHORIZING
CHANGE ORDER NO. 1 TO
PRECONSTRUCTION SERVICES NO. 2.0 TO
KUNEY-BRENNAN JOINT VENTURE OF
SPOKANE, WA UNDER CONTRACT NO. 24-
13848 FOR THE ROCK ISLAND SPILLWAY

FACTUAL BACKGROUND AND REASONS FOR ACTION

On February 3, 2025, by Resolution No. 25-14971, the Commission of the District authorized the General Manager to invite sealed proposals to provide Design-Build services to the District in support of Rock Island and Rocky Reach Hydroelectric Dam Civil and Mechanical Improvements (the “Project”). The Project aims to improve and upgrade these dam facilities while ensuring continued operation. Given the critical nature of these facilities, the work will be scheduled in multi-year, multi-phased construction phases to minimize operational impact. Key elements of this Project include upgrading spillway gates and operational components at Rocky Reach Dam, upgrading the Rock Island Dam left bank fish ladder water supply structure (drop gate structure), upgrading the Rock Island Dam spillway, which may include structural modifications, gate replacement or modification, hoist replacement, storage replacement, gantry crane bus replacement, and seismic retrofit.

On January 30, 2026, the District authorized Kuney-Brennan Joint Venture to start Preconstruction Services (PC 2.0) for Rock Island Dam spillway modernization in an amount not to exceed \$1,671,949.00.

Proposed Change Order No. 1 to PC 2.0 for Approval

Pursuant to the Changes provisions of Contract No. 24-13848, this Resolution presents Change Order No. 1 PC 2.0 in the amount of \$7,997,037.13, increasing the PC 2.0 Contract Sum to \$9,668,986.13. Change Order No. 1 advances the spillway modernization design to 30%.

The proposed additional engineering and technical services are necessary to further develop and refine design concepts established during the pre-design phase, including the spillway crane power supply system, Over/Under Gates, Notch Gates, and the original 1930s gates identified as priority assets for near-term replacement. The work will also advance the designs for the auto-hoists, stanchions, gate dogging system, and spillway gates to 30 percent, enabling the Design-Build team to prepare cost estimates and allow Exponent to develop quantitative risk analysis models. These activities will produce design deliverables necessary to evaluate project alternatives, assess associated risks, and inform decision-making regarding the level of investment most appropriate to achieve the greatest reduction of operational and infrastructure risk.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, as follows:

Section 1. The General Manager of the District is hereby authorized to execute Change Order No. 1 to Preconstruction Services 2.0 with Kuney-Brennan Joint Venture of Spokane, WA for the Rock Island Dam spillway modernization. Change Order No. 1 increases the Preconstruction Services 2.0 Contract Sum by \$7,997,037.13, from \$1,671,949.00 to \$9,668,986.13. A copy of the contract will be on file in the offices of the District.

Section 2. Notwithstanding their relationship to the same project, each Pre-Construction Services and each GMP Amendment shall be treated as a separate contract for purposes of determining approval authority and delegation requirements under Board Policy.

Dated this 21st day of September 2026.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

RESOLUTION NO. 26-15103 AUTHORIZING
THE GENERAL MANAGER TO ENTER INTO
INTERLOCAL AGREEMENT NO. 26-15133
WITH THE WASHINGTON DEPARTMENT OF
FISH AND WILDLIFE FOR ROCKY REACH
LICENSE WILDLIFE HABITAT
IMPLEMENTATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

Per the Rocky Reach operating license, the Settlement Agreement, and the approved Wildlife Habitat Management Plan (WHMP) (2026-2030), the District is obligated to provide funding and to enter into an agreement to implement the approved WHMP (2026-2030). Staff has negotiated an agreement with Washington Department of Fish and Wildlife (WDFW) for implementation. Board Policy BL-11 requires that the Commission, by resolution, authorize Interlocal Agreements for services that exceed \$500,000.

Public Utility District No. 1 of Chelan County, Washington (“District”) operates the Rocky Reach Hydroelectric Project under the Terms and Conditions of the Federal Energy Regulatory Commission (FERC) License No. 2145, issued on February 9, 2009. The Rocky Reach FERC License obligates the District to develop a WHMP for FERC approval every 5 years and incorporate Articles from the Settlement Agreement requiring the District to reimburse costs for wildlife habitat improvements completed under a WHMP, up to the funding amounts specified in the Rocky Reach Settlement Agreement (RRSA). The most recent Rocky Reach WHMP (2026-2030) was approved by FERC on July 2, 2026.

As prescribed in the RRSA and under the approved WHMP, the District is obligated to make \$636,000 available (which includes annual inflation estimates from 2026-2030) to reimburse habitat improvements made on the Chelan Wildlife Area from 2026 through 2030.

The General Manager of the District has reviewed staff's recommendation and concurs in the same.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, as follows:

Section 1. The General Manager of the District or his designee is hereby authorized to enter into and execute an Interlocal Cooperative Agreement with the Washington Department of Fish and Wildlife to implement wildlife improvement measures consistent with the approved Rocky Reach Wildlife Habitat Management Plan (2026-2030) in an amount not to exceed \$636,000 through December 31, 2030. A copy of the Agreement is on file in the offices of the District.

Dated this 21st day of September 2026.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

RESOLUTION NO. 26-15104 AUTHORIZING
THE GENERAL MANAGER TO ENTER INTO
INTERLOCAL AGREEMENT NO. 26-15138
WITH THE BUREAU OF LAND MANAGEMENT
FOR ROCKY REACH LICENSE WILDLIFE
HABITAT IMPLEMENTATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

Per the Rocky Reach operating license, the Settlement Agreement, and the approved Wildlife Habitat Management Plan (WHMP) (2026-2030), the District is obligated to provide funding and to enter into an agreement to implement the approved WHMP (2026-2030). Staff has negotiated an agreement with the Bureau of Land Management (BLM) for implementation. Board Policy BL-11 requires that the Commission, by resolution, authorize Interlocal Agreements for services that exceed \$500,000.

Public Utility District No. 1 of Chelan County, Washington (District) operates the Rocky Reach Hydroelectric Project under the Terms and Conditions of the Federal Energy Regulatory Commission (FERC) License No. 2145, issued on February 9, 2009. The Rocky Reach FERC License obligates the District to develop a WHMP for FERC approval every 5 years and incorporates Articles from the Settlement Agreement requiring the District to reimburse costs for wildlife habitat improvements completed under a WHMP, up to the funding amounts specified in the Rocky Reach Settlement Agreement (RRSA). The most recent Rocky Reach WHMP (2026-2030) was approved by FERC on July 2, 2026.

As prescribed in the RRSA and under the approved WHMP, the District is obligated to make \$794,032 available (which includes annual inflation estimates from 2026-2030) to reimburse the habitat improvements made on BLM lands that lie within the designated Rocky Reach Wildlife Area from 2026 through 2030.

The General Manager of the District has reviewed staff's recommendation and concurs in the same.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, as follows:

Section 1. The General Manager of the District or his designee is hereby authorized to enter into and execute an Interlocal Cooperative Agreement with the Bureau of Land Management to implement wildlife improvement measures consistent with the approved Rocky Reach Wildlife Habitat Management Plan (2026-2030) in an amount not to exceed \$794,032 through December 31, 2030. A copy of the Agreement is on file in the offices of the District.

Dated this 21st day of September 2026.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

RESOLUTION NO. 26-15105 AUTHORIZING
THE PURCHASE OF 8.15 ACRES OF REAL
PROPERTY LOCATED IN MALAGA,
WASHINGTON, FROM WATER WORKS
PROPERTIES LLC

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (“District”) is authorized by RCW 54.16.020 to acquire real property for purposes related to its mission of providing utility services to the public.

The Malaga area has experienced significant organic growth over the last several years and is expected to see continued growth in the future. The District needs suitable sites for future substations to support this growth. To this end, the District has identified the Water Works property as a suitable site for potential future utilities.

Water Works Properties LLC (“Seller”) is the owner of the 8.15 acre parcel of real property (the “Property”) and is willing to sell it to the District. This property is within the anticipated load center of Malaga and is accessible to multiple existing facilities. It has suitable acreage, topography and location consistent with the District’s specifications.

The Seller and the District entered into a Purchase and Sale Agreement (“PSA”) on June 23, 2026, wherein the District and Seller agreed to a purchase price of \$2,100,000.00, subject to Commission approval.

Staff recommends the Commission approve the purchase of the Property, contingent on the terms set out in the PSA. The General Manager has reviewed staff’s recommendation and concurs in the same.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The Board of Commissioners hereby approves the purchase of the Property from Water Works Properties LLC in the amount of \$2,100,000.00 under the terms set forth in the PSA.

Section 2. The General Manager or his designee is hereby authorized to take such further steps as may be required to complete the purchase of the Property from the Seller.

Resolution No. 26-15105

Dated this 21st day of September 2026.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner