

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

REGULAR COMMISSION MEETING

DECEMBER 4, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Lance Beyer
2. Approval of the Agenda
3. Quarterly Electrical Load Growth Update
4. Parks Update
5. Rock Island Relicensing Update
6. Identity Theft Prevention Program Update

BUSINESS SESSION

Consent Agenda

7. Minutes of the November 20, 2023 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated November 28, 2023:
 - a. Vouchers totaling \$13,758,551.79;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 14, 2023 through November 27, 2023 in the amount of \$136,975.15.
 - c. Approval of the net Payroll, Warrant Nos. 238317 through 238327 and Advice Nos. 767497 through 768307 for the pay period ending November 19, 2023 in the amount of \$2,617,277.69.
 - d. Approval of Warrant Nos. 30295 through 30358 totaling \$42,603.28 for claim payments from the workers' compensation self-insurance fund for the period ending November 27, 2023.

Regular Agenda

9. A RESOLUTION APPROVING THE 2024 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
10. A RESOLUTION APPROVING A PURCHASE AND SALE AGREEMENT WITH THE WENATCHEE VALLEY YMCA FOR CERTAIN PORTIONS OF THE DISTRICT'S PROPERTY AT THE FIFTH STREET CAMPUS
11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 23-13029) WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE FOREST SERVICE, OKANOGAN-WENATCHEE NATIONAL FOREST, ENTIAT RANGER DISTRICT FOR A PAYMENT ARRANGEMENT FOR THE LAKE CHELAN WILDLIFE HABITAT PLAN (2023-2027)
12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE 1.38 ACRES OF LAND AND REQUIRED SITE IMPROVEMENTS LOCATED ADJACENT TO THE FUTURE OHME II WATER RESERVOIR SITE FROM JIM AND KATHY HAMPTON
13. Commission Travel
14. Commission Items
 - a. Special Meetings
Proposed motion: To set the following special meetings:
 - On Thursday, December 14, 2023 @ 8:30am at the Wenatchee Convention Center, 121 North Wenatchee Avenue, Wenatchee, for the purpose of holding an Energy Expo
 - On Friday, January 26, 2024 @ 9:00am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding a Board Workshop
15. Follow-up on Delegation of Action Items from Previous Board Meeting
16. Delegation of Action Items
17. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda

REGULAR COMMISSION MEETING AGENDA

December 4, 2023

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18. Matters of general business as may necessarily come before the Commission

1:00 PM

19. Public Hearing – 2023-2032 Integrated Resource Plan Progress Report

20. A RESOLUTION APPROVING THE DISTRICT'S 2023 INTEGRATED RESOURCE PLAN PROGRESS REPORT

21. Manager Items

22. 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) and 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) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION APPROVING THE 2024 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

FACTUAL BACKGROUND AND REASONS FOR ACTION

In compliance with Washington state statutes and District Resolution No. 07-13147, proposed budgets for the contemplated financial transactions of the various systems of the District for the year 2024 have been discussed with the Board of Commissioners.

The proposed 2024 budgets are intended to build upon the District's strategic plan, strategic initiatives and five-year business plans. The foundation of the strategic initiatives and budgets is at the top of the District's balanced scorecard – Customer-owner satisfaction. The 2024 budget process has taken the strategic plan priorities into consideration and proposes to establish priorities within the four strategic plan focus areas: 1) Invest in assets and people and seek industry top-quartile performance for hydro generation, retail reliability, and safety while improving our customer service technology, 2) Sustain excellent financial resiliency while mitigating the risk of large rate increases, 3) Enhance the quality of life in Chelan County through programs that distribute the benefits of public power, and 4) Engage in countywide growth planning and job creation efforts while ensuring the District's rates and policies remain stable and predictable (including the fiber build-out throughout the county). These priorities are consistent with the District's Vision/Challenge in the adopted 2020-2024 Strategic Plan to provide the best value for the most people for the longest time.

Strategic priorities, significant projects, challenges, and constraints of the proposed 2024 budgets were discussed at a public meeting on October 16, 2023 and again at public hearings on November 6, 2023 and November 20, 2023.

The first public hearing on the proposed 2024 budgets was held on Monday, November 6, 2023, at 1:00 p.m. in the Board of Commissioners' office at 203 Olds Station Rd, Wenatchee, WA, 98801. Ratepayers were given full opportunity to attend and be heard for or against the whole or any part of the proposed budgets. The notice for this public hearing was advertised with the local newspaper stating the date and time for the hearing.

The second public hearing on the proposed 2024 budgets was held on Monday, November 20, 2023, at 1:00 p.m. in the Board of Commissioners' office at 203 Olds

Station Rd, Wenatchee, WA, 98801. Ratepayers were given full opportunity to attend and be heard for or against the whole or any part of the proposed budgets. The notice for this public hearing was advertised with the local newspaper stating the date and time for the hearing.

The adoption of the District budgets is categorically exempt from the requirements of the Washington State Environmental Policy Act. WAC 197-11-800(14)(c).

The General Manager recommends that the proposed strategic priorities and the proposed 2024 budgets as presented and discussed be adopted by the Commission.

The Commission, having completed the budget hearings, deems it proper and necessary that proposed budgets for the calendar year 2024 be finally determined and adopted as set forth in this resolution.

ACTION

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

Section 1. The budgets for the District in words and figures as set forth in the copy of each budget 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 as included in the resolution presented to the Board on December 4, 2023 are adopted as the budgets for the year 2024. The budget summary is attached, and other supporting information is on file in the office of the District.

Resolution No. _____

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Dated this 4th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

SEAL

Chelan County PUD
2024 Proposed Budget (\$000)

Combined District	Gross (Integrated Electric)			Net of Eliminations Integrated Electric	Fiber & Telecom	Water	Wastewater	(Non Integrated Electric) Eliminations
	Integrated Electric	Eliminations						
Service Revenue	137,760	120,128	(608)	119,521	12,075	8,401	921	(3,157)
EP&T Net wholesale	117,883	117,883	-	117,883	-	-	-	-
LT Hydro Contract	180,140	180,140	-	180,140	-	-	-	-
Other Wholesale Activity	(965)	(965)	-	(965)	-	-	-	-
Wholesale Energy Revenue	297,057	297,057	-	297,057	-	-	-	-
Other Revenue	28,821	81,643	(48,630)	33,013	3	61	2	(4,258)
	463,638	498,829	(49,238)	449,591	12,078	8,462	922	(7,415)
Other Operating Expenses	263,650	301,933	(49,238)	252,695	11,388	5,926	1,055	(7,415)
Taxes	16,328	15,076	-	15,076	43	1,189	19	-
Depreciation & Amortization	64,010	57,548	-	57,548	4,353	1,672	437	-
	343,988	374,558	(49,238)	325,320	15,784	8,788	1,511	(7,415)
Operating Income/(Loss)	119,650	124,271	-	124,271	(3,706)	(326)	(589)	-
Interest Earnings	(15,901)	(15,013)	-	(15,013)	(649)	(125)	(114)	-
Interest Expense	15,446	15,402	-	15,402	-	11	33	-
Fair Market Value Change	(219)	(219)	-	(219)	-	-	-	-
Other Non Operating Activity	2,827	2,884	-	2,884	(32)	(23)	(2)	-
Capital Contributions	(8,132)	(7,442)	-	(7,442)	(30)	(576)	(85)	-
Intersystem Transfers/Adjustments	-	2,850	-	2,850	(2,850)	-	-	-
Non Operating Activity	(5,981)	(1,538)	-	(1,538)	(3,562)	(713)	(168)	-
Change in Net Position	125,631	125,810	-	125,810	(144)	386	(421)	-
Capital Projects: Gross	218,512	204,741	-	204,741	8,201	3,072	2,498	-
Less Capital Contributions	(7,249)	(6,616)	-	(6,616)	(30)	(576)	(27)	-
Capital Projects Net	211,263	198,125	-	198,125	8,171	2,496	2,471	-
Regulatory	10,665	10,452	-	10,452	213	-	-	-
Deferred Relicensing	3,200	3,200	-	3,200	-	-	-	-
Hydro License Obligations	380	380	-	380	-	-	-	-
Other	300	-	-	-	-	300	-	-
Extended Warranty	2,217	-	-	-	-	-	-	-
Regulatory Liability CIAC	(38,323)	(45,572)	-	(38,323)	-	-	-	-
Fiber Make Ready Offset	(2,650)	(2,650)	-	(2,650)	-	-	-	-
Sub	187,052	163,935	-	171,185	8,384	2,796	2,471	-
Operating Expenses	263,650							
Taxes	16,328							
Non Operating (Inc) Exp	2,152							
Total Expenditures = OperExp + Taxes								
+ Non Op+ Net Capital + Regulatory Assets								
+ Deferred Relicensing	469,181							
Net Debt Reduction	54,402							
Total Expenditures & Debt Reduction	523,583							

Notes:

- Purchased Power included in Net Wholesale

**2024 Capital Projects
Proposed Budget**

Draft

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System	Discrete/ Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2024	
Electr Distribution	Discrete	CAPBKT01	Future Station Siting & Constr	-	500,000	500,000	500,000	
		DS140004	Bavarian Substation	6,455,704	4,198,375	10,654,079	6,550,000	
		DS140005	N Shore Chelan Substatn (Boyd)	9,859,630	-	9,859,630	87,300	
		DS190003	City Loop T-Line NESC Imprvs	584,710	-	584,710	1,000	
		DS190006	Advanced Metering Infrastructr	15,000,000	700,000	15,700,000	1,043,983	
		DS200003	Advanced Dist Mgt Sys ADMS	4,168,630	-	4,168,630	50,000	
		DS200004	TRS Interconnect Bavarian Sub	2,275,000	795,000	3,070,000	730,500	
		DS200006	Wenatchee Substation Capacity	4,720,000	-	4,720,000	1,700,000	
		DS210001	Distribution Vehicles & Equip	1,892,244	-	1,892,244	500,000	
		DS210002	College 1 Substation Refurb	60,000	4,590,000	4,650,000	1,050,000	
		DS210003	Plain 851 Feeder OH to UG	1,000,000	1,032,964	2,032,964	600,000	
		DS210004	PPB: Loop Trail Extension	1,200,000	1,553,000	2,753,000	2,653,000	
		DS220001	Distribution Vehicles & Equip	1,942,000	-	1,942,000	1	
		DS220003	MRW Blewett Pass FDT-162	1,788,000	-	1,788,000	10,000	
		DS220004	Plain 851 Ponderosa UG	300,000	-	300,000	295,000	
		DS220008	PPB PKWRF Improvements	2,700,000	4,308,653	7,008,653	5,112,500	
		DS220011	Jumpoff Ridge Switchyard DS	34,820,000	11,819,512	46,639,512	19,726,000	
		DS220013	N Shore Chelan Sub Getaways	3,330,000	2,934	3,332,934	1,830,000	
		DS230001	DSCN Vehicles & Equip	2,362,000	-	2,362,000	1,490,000	
		DS230004	MRW Chelan FDTs	1,400,000	3,600,000	5,000,000	2,300,000	
		DS230005	Bavarian Sub Getaways	30,000	20,000	50,000	50,000	
		DS230006	Ohme Substation 5th Feeder	740,000	710,000	1,450,000	700,000	
		DS230007	PPB PKWW Basketball Courts	500,000	-	500,000	440,000	
		DS230012	Plain Sub Transformer Replc	2,182,000	-	2,182,000	1,930,000	
		DS230013	Substation Xfrmrs Purchase	-	3,000,000	3,000,000	3,000,000	
		DS240001	Distribution Vehicles & Equip	-	4,369,000	4,369,000	1,441,770	
		DS240002	Mountian Home Rd LV 3ph	-	1,210,000	1,210,000	10,000	
		DS240003	Roses Lake Site Acquisition	-	500,000	500,000	500,000	
		DS240004	Security Improve Substations	-	550,000	550,000	275,000	
		DS240005	Chelan Towers OH_UG Conversion	-	500,000	500,000	500,000	
		DS240006	DS Equipment Purchase	-	200,000	200,000	200,000	
		Recurring	2XXX0100	UG Xfrmrs-Capital Purchases	2,487,000	3,868,000	6,355,000	3,100,000
			2XXX0200	OH Xfrmrs-Capital Purchases	600,000	2,270,000	2,870,000	1,400,000
	2XXX0300		Line Devices-Regulators	138,000	(6,000)	132,000	65,000	
	DSLEXXX1		DS - Line Extensions	3,150,000	460,000	3,610,000	3,610,000	
	DSXX0001		DS - Customer Services	1,837,500	257,500	2,095,000	2,095,000	
	DSXX0002		DS - Electric Meters	170,000	310,000	480,000	237,000	
	DSXX0003		DS-Undergrnd Cable Replacement	1,275,300	(275,300)	1,000,000	1,000,000	
	DSXX0006		Substation Equip Replacements	1,500,000	(750,000)	750,000	750,000	
	DSXX0007		Distribution Line Improvements	800,000	(400,000)	400,000	400,000	
	DSXX0009		Substation Improvements	50,000	-	50,000	50,000	
	DSXX0011		Elec Reconductor Upgrades	700,000	(450,000)	250,000	250,000	
	DSXX0014		Elec Mandated Relocate	80,000	170,000	250,000	250,000	
	DSXX0015		NESC Distribution Upgrades	20,000	5,000	25,000	25,000	
	DSXX0018		TRS Structural Pole Replace DS	85,000	-	85,000	85,000	
	DSXX0020		TRS Structural Pole Replc LCRD	115,000	-	115,000	115,000	
	DSXX0021		DS Pole Replacement	300,000	50,000	350,000	350,000	
DSXX0022	Feeder Device-Lines		70,000	330,000	400,000	400,000		
DSXX0023	Conduit Install Fiber BuildOut		300,000	100,000	400,000	400,000		
DSXX0024	Fiber Build-Out Make Ready		75,000	(25,000)	50,000	50,000		
DSXX0025	TRS Substation Interconnects		200,000	100,000	300,000	300,000		
DSXX0026	Overhead Wire Replacements		300,000	(150,000)	150,000	150,000		
DSXX0027	Fiber In-Fill Make Ready		330,000	70,000	400,000	400,000		
DSXX0028	External Contact Make-Ready		25,000	25,000	50,000	50,000		
DSXX0029	DS UG Line Improvements		125,000	325,000	450,000	450,000		
DSXX0030	Elec Rescloser Cntrl Upgrades		136,000	34,000	170,000	170,000		
System Forecast Adjustment				-	-		(10,370,514)	
Electr Distribution Total				114,178,718	50,477,639	164,656,357	61,057,540	
Network Transmsn	Discrete		XT220002	RRS Col 2 Brkr 7-710 Relay Rpl	307,000	-	307,000	195,000

System	Discrete/ Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2024
		XT220003	Jumpoff Ridge Switchyard XT	51,000,000	(11,848,947)	39,151,053	16,276,000
		XT220004	MKS 115kV 6-950 Sectional Brkr	680,000	-	680,000	620,500
		XT230002	MKS SSVTs	895,000	-	895,000	135,000
		XT230003	RRS 3-4 Brkr 7-700 Relay Rplc	392,000	-	392,000	316,000
		XT230004	Plain & Lake Wen Resiliency	200,000	585,000	785,000	700,000
		XT230007	XT Inspections Drone	15,000	-	15,000	1
		XT240002	RRS Battery Room Improvements	-	210,000	210,000	210,000
		XT240003	ColesCorner Summit 6-900 Replc	-	406,000	406,000	13,000
	Recurring	XTXX0001	TRS Structural Pole Replc XT	240,000	(40,000)	200,000	200,000
		XTXX0004	WSDOT Clear Zone	25,000	-	25,000	25,000
		XTXX0005	SWYD Brkr Repl Program	-	1,000,000	1,000,000	50,000
		System Forecast Adjustment		-	-	-	(461,000)
Network Transmn Total				53,754,000	(9,687,947)	44,066,053	18,279,501
Fiber & Telecom	Discrete	NW220002	PPB: Chelan FDT-150	1,845,192	2,166,346	4,011,538	1,900,000
		NW220003	PPB: Blewett Pass FDT-162	1,350,000	-	1,350,000	277,280
		NW220005	PPB: SS LC Node Building	75,000	103,000	178,000	163,000
		NW230001	NWCN Vehicles & Equip	775,000	-	775,000	710,000
		NW230005	Plain 851 OH to UG - Fiber	200,000	400,000	600,000	200,000
		NW240001	NWCN Vehicles & Equip	-	1,325,000	1,325,000	441,667
		NW240002	Splice Trailer	-	75,000	75,000	75,000
		NW240003	PPB: Fiber Finalization	-	750,000	750,000	750,000
		NWBP0001	PPB: Fiber Expansion	7,597,020	-	7,597,020	1,052,269
		NWBP0003	PPB:Expsn-Distrib Electronics	700,934	-	700,934	246,875
		NWBP0004	PPB Expansion Drops	1,373,045	649,238	2,022,283	649,238
		NWBP0005	PPB Expansion Devices	590,000	-	590,000	148,000
		NWBP0006	PPB Expansion Infill	1,405,639	640,162	2,045,801	929,616
		NWBP0007	PPB Expansion Growth	716,200	-	716,200	200,000
	Recurring	NWLEXXX7	Fiber Drops-Line Extensions	16,750	-	16,750	16,750
		NWXX0002	Franchise Fiber Relocates	25,000	-	25,000	25,000
		NWXX0003	Fiber District Relocates	15,000	10,000	25,000	25,000
		NWXX0010	Fiber Drops	944,899	233,935	1,178,834	1,178,834
		NWXX0011	Fiber Devices	458,528	46,687	505,215	505,215
		NWXX0012	Fiber Conduit Installation	475,000	25,000	500,000	500,000
		NWXX0013	Core System Upgrades	325,000	(175,000)	150,000	150,000
		NWXX0014	Fiber Subdivisions	75,000	25,000	100,000	100,000
		System Forecast Adjustment		-	-	-	(2,042,748)
Fiber & Telecom Total				18,963,207	6,274,368	25,237,575	8,200,995
Water	Discrete	SW240001	Water Vehicles & Equip	-	380,000	380,000	125,400
		WR200002	Water SCADA System	500,000	63,684	563,684	421,000
		WR210002	Water Res Fall Safety Protect	1,043,000	288,919	1,331,919	702,000
		WR220001	Water Vehicles & Equip	800,000	-	800,000	1
		WR220002	Maple Water Main Tie	31,000	265,170	296,170	283,000
		WR230003	Water AMR Replmt	701,000	-	701,000	501,000
		WR240002	Day Rd Reservoir Site	-	50,000	50,000	50,000
		WR240003	Ohme Reservoir Site	-	200,000	200,000	200,000
	Recurring	WRXX0001	WS - New Water Services	175,000	35,000	210,000	210,000
		WRXX0002	WS - Customer Line Extensions	358,000	(299,000)	59,000	59,000
		WRXX0003	WS - Water Main Replacements	610,000	(160,000)	450,000	450,000
		WRXX0004	WS - Water Main Fire Hydrants	32,000	(17,000)	15,000	15,000
		WRXX0005	Water Main Mandated Relocate	250,000	(100,000)	150,000	150,000
		WRXX0006	Water Meters	336,000	(119,680)	216,320	216,320
		System Forecast Adjustment		-	-	-	(310,672)
Water Total				4,836,000	587,093	5,423,093	3,072,049
Wastewater	Discrete	SW200002	Dryden Wastewater Upgrade	5,500,000	-	5,500,000	2,745,000
		SW230001	Wastewater Vehicles & Equip	100,000	-	100,000	1
	Recurring	SWXX0001	New Sewer Svcs-Lake Wenatchee	30,000	(10,000)	20,000	20,000
		SWXX0002	New Sewer Svcs-Peshastin	7,000	-	7,000	7,000
		System Forecast Adjustment		-	-	-	(274,500)
Wastewater Total				5,637,000	(10,000)	5,627,000	2,497,501
Internal Services	Discrete	CAPBKT02	Fleet Shop Equipment	-	450,000	450,000	450,000
		CAPBKT03	Facilities Upgrades	-	333,788	333,788	333,788
		CAPBKT04	Hatchery equipment/upgrades	-	150,000	150,000	150,000

System	Discrete/ Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2024
		IS180014	Operations and Service Center	164,535,846	0	164,535,846	13,463,828
		IS180015	RR-CM Facilities Upgrade	43,228,473	-	43,228,473	10,000
		IS210001	Shared Srvc Vehicles & Equip	846,000	85,831	931,831	1
		IS220001	Shared Srvc Vehicles & Equip	1,366,000	-	1,366,000	467,000
		IS230001	ISCN Vehicles & Equip	1,463,000	-	1,463,000	715,000
		IS230003	CM Tools 2023	635,000	-	635,000	1,000
		IS230004	CM 240 Ton Crane Replc	2,500,000	-	2,500,000	2,400,000
		IS230006	C2M Cloud Migration	650,000	-	650,000	550,000
		IS230007	Field Workforce Management	650,000	2,241,000	2,891,000	841,000
		IS230008	IT Service Management	600,000	960,000	1,560,000	600,000
		IS230010	Data Elevator	500,000	-	500,000	150,000
		IS230013	Network Upgrades-Replacements	500,000	(300,000)	200,000	200,000
		IS240001	Shared Srvc Vehicles & Equip	-	2,409,700	2,409,700	795,000
		IS240002	CM Tools 2024	-	500,000	500,000	500,000
		IS240003	SC Window Bullet Proof Film	-	130,000	130,000	130,000
		IS240004	Azure VDC	-	450,000	450,000	150,000
		IS240005	VDI Modernization	-	750,000	750,000	750,000
		IS240007	Nutanix Storage Expansion	-	250,000	250,000	250,000
		IS240008	ESRI Utility Network	-	1,050,000	1,050,000	750,000
		System Forecast Adjustment		-	-	-	(2,365,662)
Internal Services Total				217,474,319	9,460,319	226,934,638	21,290,955
Rocky Reach	Discrete	RR110012	RR C1-C11 Unit Ctrl Governor	7,800,000	-	7,800,000	890,000
		RR120004	RR Excitation Reg Replc C1-C11	4,508,217	-	4,508,217	365,000
		RR120006	RR Unit DFR Installation	766,200	-	766,200	27,000
		RR190002	RR SER Alarm System Replace	403,500	-	403,500	45,000
		RR190006	RR DC / UPS AC Panel Replace	133,000	-	133,000	25,000
		RR190007	RR Oil Detection System	79,100	-	79,100	79,100
		RR200002	HTWF Wellfield Rehab	2,714,000	-	2,714,000	100,000
		RR200003	RR Oil Cond & Storage Syst	640,000	-	640,000	370,000
		RR200005	RR Uninterruptable Pwr Supply	305,000	-	305,000	33,000
		RR200009	RR Spillway Elec Upgrades	1,695,888	-	1,695,888	1,530,000
		RR200010	RR C1-C7 C11 MCM AirGap Repl	1,145,000	30,000	1,175,000	36,473
		RR200012	RR C1-C7 WG ShearPin Alarm Sys	443,450	56,550	500,000	135,000
		RR200014	RR PLC 5 Controller	271,000	-	271,000	60,000
		RR200015	PKDG Shoreline Erosion	850,435	1,643,526	2,493,961	135,000
		RR200018	HTCF Abatement Pond Improv	3,770,000	700,000	4,470,000	4,200,000
		RR210001	RR Vehicles & Equip	724,000	-	724,000	400,000
		RR210002	RR Tailrace Gantry Crane	7,400,000	745,041	8,145,041	3,100,000
		RR210005	PKET Shoreline Erosion	450,500	-	450,500	125,000
		RR210008	PKCF Shoreline Erosion	695,500	17,205	712,705	650,000
		RR220001	RR Vehicles & Equip	587,000	-	587,000	1
		RR220002	RR JFB Surface Collector Pumps	1,230,000	535,000	1,765,000	1,400,000
		RR220003	RR Fac Upgrd Elec Load Support	1,900,000	1	1,900,001	1,680,135
		RR230001	RRCN Vehicles & Equip	341,000	500	341,500	209,000
		RR230002	RR JFB Rehab	700,000	-	700,000	450,000
		RR230004	RR HVAC Interface Software	30,000	-	30,000	5,000
		RR230006	RR JFB Cntrl System Repl	1,000,000	755,000	1,755,000	1,220,000
		RR230007	PKDG Playground Repl	230,000	1	230,001	1
		RR230008	PKCFP Picnic Shelter Renov	250,000	-	250,000	220,000
		RR230009	HTCF Chemical Storage Rehab	475,000	886,000	1,361,000	1,336,000
		RR230012	Discovery Center Roof Access	205,000	35,001	240,001	240,000
		RR240001	RR Vehicles & Equip	-	635,000	635,000	209,550
		RR240002	RR Maint Tools 2024	-	50,000	50,000	50,000
		RR240003	RR Unwatering Sump Cnfrd Space	-	100,000	100,000	100,000
		RR240004	RR Trashrack Refurbish	-	13,000,000	13,000,000	2,500,000
		RR240005	VENTRAC Attachments	-	31,000	31,000	31,000
		RR240006	PKRR Upper Rstrm Shltr Roof	-	215,000	215,000	215,000
		RR240007	PKRR Htg Cooling Sys Repl	-	33,000	33,000	33,000
		RR240008	RR JEM Pwr & Rev Meters Repl	-	345,000	345,000	106,000
		RR240009	PKBB Carport	-	9,200	9,200	9,200
		System Forecast Adjustment		-	-	-	(5,579,865)
Rocky Reach Total				41,742,790	19,822,025	61,564,815	16,739,595

System	Discrete/ Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2024
Rock Island	Discrete	RI070017	RI Easements	-	38,403	38,403	38,403
		RI0800B2	RI PH1 B-2 Stator Replacement	4,961,785	-	4,961,785	1
		RI110001	RI PH1 Excitation Sys B1-B4	1,010,990	-	1,010,990	1
		RI110004	RI PH1 Govrnr DigCtrls B2	2,890,000	-	2,890,000	1
		RI130010	RI PH1 Gen Heat Detect B1-B8	240,983	-	240,983	33,500
		RI140003	RI PH2 Gantry Crane	9,100,000	-	9,100,000	1
		RI140004	RI PH2 Bridge Crane	13,390,000	-	13,390,000	1
		RI150003	RIFW Controls Upgrades	1,465,000	120,000	1,585,000	455,000
		RI160015	RI PH1 B5 Modernization	32,800,000	-	32,800,000	1
		RI160016	RI PH1 B7 Modernization	35,000,000	-	35,000,000	1
		RI160017	RI PH1 B8 Modernization	35,000,000	1,300,000	36,300,000	1,000,000
		RI170007	RI PH1 Intake Gantry Repl	8,180,000	1,535,778	9,715,778	3,100,000
		RI170011	RI PH1 B1 Modernization	19,600,000	1,300,000	20,900,000	2,200,000
		RI170012	RI PH1 B2 Modernization	19,800,000	2,100,000	21,900,000	5,900,000
		RI170013	RI PH1 B3 Modernization	25,000,000	0	25,000,000	1,384,692
		RI170014	RI PH1 B4 Modernization	21,570,565	-	21,570,565	1
		RI180003	RI PH2 U1-U8 Rehab	18,049,443	-	18,049,443	1,000
		RI190004	RI PH2 Station Drainage Mod	1,503,265	-	1,503,265	1
		RI190005	RI PH1 Station Unwtr Pumps Rpl	1,074,131	-	1,074,131	803,000
		RI190006	RI PH2 HVAC Upgrades	2,285,597	-	2,285,597	2,103,000
		RI190014	RI Spillway Hoist 17,25 Rplc	3,400,000	-	3,400,000	1
		RI200002	PKWC NB Shore Erosion Rpr	2,084,960	-	2,084,960	353,400
		RI210001	RI Vehicles & Equip	250,000	-	250,000	1
		RI210002	RI PH2 MCC Replc	2,370,000	2,493,900	4,863,900	3,700,000
		RI210004	RIFW Rt Bank Fish Ladder Mod	2,591,000	-	2,591,000	210,000
		RI210006	HTEB Pump Bldg Rehab	2,340,000	858,116	3,198,116	1
		RI210007	HTEB Reuse Bldg Rehab	245,000	40,691	285,691	150,000
		RI210012	RI PH2 DTG Cyl & HPU Upgrade	12,093,943	2,906,057	15,000,000	3,000,000
		RI210013	RI PH2 U5 Rehab	99,500,000	12,500,000	112,000,000	34,995,000
		RI210014	RI PH2 U7 Rehab	12,300,000	19,130,000	31,430,000	26,737,345
		RI220001	RI Vehicles & Equip	489,000	-	489,000	1
		RI220006	PKWC Sewer Lift Station	600,000	-	600,000	100,000
		RI220008	RI PH2 Microwave Battery Replc	22,500	-	22,500	1
		RI230001	RICN Vehicles & Equip	259,000	-	259,000	184,000
		RI230002	RI PH1 B9B10 CntrlSyst CMSSyst	911,000	862,000	1,773,000	1,008,000
		RI230003	RI Spillway GateHndlngPrTOTYPE	2,000,000	12,800,000	14,800,000	827,000
		RI230005	PKWW Parking Lot Replace	420,000	35,000	455,000	435,000
		RI230006	HTCP MCC Replacement	145,000	320,001	465,001	465,000
		RI230007	HTSP Chemical Storage Rehab	875,000	621,000	1,496,000	1,441,000
		RI230008	RI 45CH302 Stabilization	510,000	10,000	520,000	20,000
		RI230009	PKWRF Linden Barn Roof	40,000	1	40,001	1
		RI230010	Dryden Water Right	300,000	-	300,000	300,000
		RI230011	RI PH2 U3 Rehab	3,300,000	5,235,000	8,535,000	6,335,000
		RI230013	RI PH1 SS Lighting Panel Upgrd	410,000	-	410,000	409,000
		RI240001	RI Vehicles & Equip	-	145,000	145,000	47,850
		RI240002	RI PH2 U4 Rehab	-	2,000,000	2,000,000	2,000,000
		RI240003	PKKB Replace Mobile Home	-	335,000	335,000	335,000
RI240004	PKWW Safety Improve	-	165,000	165,000	165,000		
RI240005	RI Security Gates Repl	-	250,000	250,000	250,000		
RI240006	HTRB Dewatering Pump Install	-	325,000	325,000	325,000		
RI240007	RI JEM Pwr & Rev Meters Repl	-	264,000	264,000	72,000		
RI240008	Chiwawa Master Radio	-	33,000	33,000	33,000		
RI240009	PKWW HVAC Repl	-	33,000	33,000	33,000		
RI240010	PKWW Carports	-	18,500	18,500	18,500		
RI240011	RI PH2 Dom Wtr Sys Repl	-	700,000	700,000	700,000		
RI240012	RI PH1 B5-B10 Stoplog DW Pumps	-	450,000	450,000	450,000		
System Forecast Adjustment				-	-		(15,533,009)
Rock Island Total				400,378,162	68,924,447	469,302,609	86,584,696
Lake Chelan	Discrete	LC190001	PKCR S Shore Erosion	777,228	11,693	788,921	720,000
		LC210001	LC Seis Stdy-Auto Closure Gate	6,000,000	14,149	6,014,149	110,000
		LC210002	LC Hydro Bridge Access Impr	280,000	-	280,000	55,000
		LC210005	PKMB Irrigation Replacement	132,000	5,000	137,000	30,000

System	Discrete/ Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2024
		LC210006	PKMP Irrigation Replacement	190,400	-	190,400	24,000
		LC220003	LC HVAC Upgrade	555,000	-	555,000	1
		LC230002	Chelan Hydro DAS Installation	210,000	-	210,000	1,000
		LC240002	PKMP Day Use Dock Repl	-	655,000	655,000	100,000
		LC240003	LC JEM Pwr & Rev Meters Repl	-	60,000	60,000	12,000
		System Forecast Adjustment		-	-	-	(263,000)
Lake Chelan Total				8,144,628	745,843	8,890,471	789,001
TOTAL				865,108,824	146,593,787	1,011,702,611	218,511,833

<u>Gross Capital</u>	<u>2024</u>
Electric Distribution	61,057,540
Network Transmission	18,279,501
Fiber & Telecom	8,200,995
Water	3,072,049
Wastewater	2,497,501
Internal Services	21,290,955
Rocky Reach	16,739,595
Rock Island	86,584,696
Lake Chelan	789,001
	218,511,833

<u>Customer Contributions</u>	
Electric Distribution	(5,870,000)
Network Transmission	-
Fiber & Telecom	(30,000)
Water	(576,000)
Wastewater	(27,000)
Internal Services	-
Rocky Reach	-
Rock Island	(746,250)
Lake Chelan	0.00
	(7,249,250)

<u>Net Capital</u>	
Electric Distribution	55,187,540
Network Transmission	18,279,501
Fiber & Telecom	8,170,995
Water	2,496,049
Wastewater	2,470,501
Internal Services	21,290,955
Rocky Reach	16,739,595
Rock Island	85,838,446
Lake Chelan	789,001
	211,262,583

<u>Regulatory</u>	
Regulatory Assets: DSOP 18230	8,735,000
Regulatory Assets: XTOP 18230	500,001
Lease Liability 22700	171,919
SBITA Liability 25000	1,257,837
Extended Warranty RI 16520	2,217,282
Deferred Relicensing: RI 18660	3,200,000
Make Available: LCRL 25360	379,989
Other: WAOP 34500	300,000
Regulatory Liability CIAC	(38,322,500)
Fiber Make Ready Offset	(2,650,000)
	(24,210,472)

Total Net Capital & Regulatory Assets: 187,052,111

RESOLUTION NO. _____

A RESOLUTION APPROVING A PURCHASE AND SALE AGREEMENT WITH THE WENATCHEE VALLEY YMCA FOR CERTAIN PORTIONS OF THE DISTRICT'S PROPERTY AT THE FIFTH STREET CAMPUS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Chelan County PUD (District) is the owner of multiple parcels of land located on Wenatchee Avenue south of Fifth Street (collectively Fifth Street Properties) located in Chelan County, Washington ("Property").

On September 18, 2023, a Term Sheet was presented to the District's Board of Commissioners proposing a transaction involving the District's sale and YMCA's purchase of a portion of the Property depicted in Exhibit A ("YMCA Parcels").

Since that date, District and YMCA staff have negotiated a Purchase and Sale Agreement (PSA), which forms the basis for District staff recommendation.

As provided in the Term Sheet, the District and YMCA have also negotiated an Option for the PUD to buy back the YMCA Parcels if the YMCA does not initiate Development by January 1, 2025.

RCW 54.16.180 provides that the District may sell property no longer necessary, material to, and useful in its system operations. Before disposing of surplus property RCW 39.33.030 requires the District to hold a public hearing after public notice and news release required therein.

On October 16, 2023 the Commission, by motion, set a public hearing date for its regular meeting on November 6, 2023, for the purpose of considering whether the YMCA Parcels are surplus to District needs. The District published a notice regarding the surplus Property hearing for November 6, 2023.

On November 6, 2023 the Commission held a public hearing and, after said hearing, adopted Resolution 23-14822 declaring the YMCA Parcels surplus to District needs.

Staff recommends the Commission approve the proposed Purchase and Sale Agreement with the Wenatchee Valley YMCA. 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, as follows:

Section 1. The Purchase and Sale Agreement with the Wenatchee Valley YMCA for sale of a portion of the District's Fifth Street Property and the Option to Purchase the property back from the YMCA, are hereby approved and the General Manager or his designee is hereby authorized to enter into the Purchase and Sale Agreement and, at closing, enter into the Option to Purchase and take such further steps as may be required to complete the transaction.

DATED this 4th day of December, 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 23-13029) WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE FOREST SERVICE, OKANOGAN-WENATCHEE NATIONAL FOREST, ENTIAT RANGER DISTRICT FOR A PAYMENT ARRANGEMENT FOR THE LAKE CHELAN WILDLIFE HABITAT PLAN (2023-2027)

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County, Washington (“District”) operates the Lake Chelan Hydroelectric Project under the Terms and Conditions of the Federal Energy Regulatory Commission (FERC) License No. 637, issued on November 6, 2006. The Lake Chelan FERC License obligates the District to develop a Wildlife Habitat Management Plan (WHMP) for FERC approval every 5 years. The most recent Lake Chelan WHMP (2023-2027) was approved by FERC on March 21, 2023. The approved WHMP contains articles and funding levels from the Settlement Agreement to reimburse the USDA Forest Service, Okanogan-Wenatchee National Forest, Entiat Ranger District (U.S. Forest Service) for wildlife habitat improvements completed on USFS lands in the Lake Chelan Basin.

As prescribed in the Lake Chelan Settlement Agreement and under the approved WHMP, the District is obligated to make \$345,000 available (which includes annual inflation estimates from 2023-2027) to reimburse USFS for habitat improvements made on U.S. Forest Service lands within the Lake Chelan Basin from 2023 through 2027.

Per the Lake Chelan operating license, the Settlement Agreement, and the approved WHMP, the District is obligated to provide funding and to enter into a payment agreement, Interlocal Agreement No. 23-13029, with U.S. Forest Service to implement the approved WHMP.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Interlocal Agreements that exceed \$200,000.

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 on behalf of the District an Interlocal Cooperative Agreement with the U.S. Forest Service to implement wildlife improvement measures consistent with the approved Lake Chelan Wildlife Habitat Management Plan (2023-2027) in an amount not to exceed \$345,000 through December 31, 2027. A copy of the Agreement is on file in the offices of the District.

DATED this 4th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE 1.38 ACRES OF LAND AND REQUIRED SITE IMPROVEMENTS LOCATED ADJACENT TO THE FUTURE OHME II WATER RESERVOIR SITE FROM JIM AND KATHY HAMPTON

FACTUAL BACKGROUND AND REASONS FOR ACTION

Under RCW 54.16.020, Public Utility District No. 1 of Chelan County, Washington (“District”), is authorized to purchase land, structures and other property rights and privileges, within and without its limits, necessary for the purpose of furnishing the District and its inhabitants and any other persons, including public and private corporations, with electric and other utility services.

The District owns a 0.71 acre parcel of land at 3489 McMullan Road where the current Ohme water reservoir is located. District staff has determined that an additional reservoir to support long range development plans will be needed in the vicinity of the existing reservoir. To accommodate this, staff has identified the adjacent property as a suitable future building site.

Jim and Kathy Hampton (“Seller”) are the owners of two parcels totaling 7.73 acres of land located adjacent to the District’s Ohme reservoir site. Seller will sell 1.38 acres (the “Land”) to the District which will provide the additional space needed to accommodate a future water reservoir and appurtenances, when combined with the District’s current site.

The Seller and the District entered into a Purchase and Sale Agreement (“PSA”) on July 7, 2023, and amended on October 3, 2023, wherein the District and Seller agreed the purchase price would be set by an appraisal commissioned by the District along with other consideration in the form of the relocation of an irrigation box and waterline that crosses Sellers property into the existing reservoir site, hereinafter “Other Improvements”. The Land has since been appraised for \$200,000 and the District and Seller agree that a sale price of \$200,000 along with Other Improvements are acceptable terms for the purchase of the Land, subject to Commission approval.

Staff recommends the District 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:

Resolution No. _____
Page 2

Section 1. The Board of Commissioners hereby approves the purchase of a 1.38-acre parcel of land from Jim and Kathy Hampton in the amount of \$200,000 and Other Improvements under the terms set out in the PSA.

Section 2. The General Manager of the District 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.

Dated this 4th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION APPROVING THE DISTRICT'S 2023
INTEGRATED RESOURCE PLAN PROGRESS
REPORT**FACTUAL BACKGROUND AND REASONS FOR ACTION**

RCW 19.280 requires the District as a consumer-owned utility to develop electric utility resource plans and progress reports as defined in the statute. According to the statute,

“It is the intent of the legislature to encourage the development of new safe, clean and reliable energy resources to meet demand in Washington for affordable and reliable electricity. To achieve this end, the legislature finds it essential that electric utilities in Washington develop comprehensive resource plans that explain the mix of generation and demand-side resources they plan to use to meet their customers’ electricity needs in both the short-term and the long-term. The legislature intends that information obtained from integrated resource planning under this chapter will be used to assist in identifying and developing new energy generation, conservation and efficiency resources, and related infrastructure to meet the state’s electricity needs.”

RCW 19.280 requires investor-owned and consumer-owned utilities with more than 25,000 retail customers to produce a progress report every two years and a fully updated 10-year plan every four years. Consumer-owned utilities must encourage participation of their consumers in the development of their plans and progress reports after providing public notice and hearing. The District is a consumer-owned utility with more than 25,000 retail customers.

District staff has developed a 2023 integrated resource plan (IRP) progress report in compliance with RCW 19.280. The progress report reflects changing conditions since the 2021 IRP.

To encourage participation of its customer-owners in the development of this IRP progress report, District staff made a presentation to the Board of Commissioners on October 16, 2023, for which notice was published in a display advertisement in the Wenatchee World on September 30, 2023. The presentation gave an overview of the IRP progress report content and set forth a public meeting schedule for further public comment and a hearing. Additionally, a webpage (<http://www.chelanpud.org/environment/operating-responsibly/integrated-resource-plan>) was identified as being available with information for the public to review and make comments. On November 4, 2023, a display advertisement appeared in the Wenatchee World inviting public participation at the next scheduled Board meeting on November

20, 2023, for presentation and review of the final draft IRP progress report. The same advertisements also invited public participation in the hearing to be held at the Board meeting on December 4, 2023, and indicated that District staff would be requesting Commission approval of the IRP progress report. Display advertisements also appeared in the Cashmere Valley Record, Lake Chelan Mirror and Leavenworth Echo on November 8, 2023, inviting public participation in the November 20, 2023 meeting as well as the December 4, 2023 final hearing. Additionally, a legal advertisement appeared in the Wenatchee World on November 16, 2023, notifying customers of this final hearing on December 4, 2023, at 1:00 p.m. The legal notice has been submitted for the hearing record.

On December 4th, 2023, the properly noticed public hearing was held. District staff recommended adoption of the proposed 2023 IRP progress report that was presented at the November 20, 2023 public meeting. The proposed 2023 IRP progress report is a thorough analysis and a fair representation of the District's resource planning throughout the planning period of the IRP progress report (2023-2032). Further, staff recommended that the 2023 IRP progress report be approved, made available to the public and submitted to the Washington State Department of Commerce by September 1, 2024. No public comment was received.

The District completed an environmental checklist pursuant to the State Environmental Policy Act (SEPA) and issued it and a Determination of Non-Significance on November 17, 2023. The public comment period for both ended on December 1, 2023. No comments were received.

The General Manager of the District has reviewed District 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 District's 2023 IRP progress report is hereby approved and the General Manager of the District is hereby authorized to make it available to the public and submit the IRP progress report, in its entirety, to the Washington State Department of Commerce by September 1, 2024 and take other steps necessary to comply with RCW 19.280.

DATED this 4th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal