

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
327 N WENATCHEE AVENUE
WENATCHEE WA 98801**

REGULAR COMMISSION MEETING

DECEMBER 20, 2021

Public participation will be by phone only

Dial: 253-999-5697

Meeting ID: 946-206-252#

****Please remember to mute your phone to reduce background noise****

Please contact PUD staff at 509-661-4212 to let us know if you intend to participate by phone

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Salim Qazi
2. Approval of the Agenda
Any item on the Consent Agenda shall be subject to transfer to the Regular Agenda upon request of any Commission member
3. CPO Winner Recognition
4. Regional Transmission Organization Value Study
5. Long Term Marketing Strategy Update: Cost Plus
6. Pre-Legislative Update
7. Commissioner District Boundaries
8. Public Comment

BUSINESS SESSION

1:00 PM

9. Public Hearing – 2022-2023 Conservation Targets
10. Public Hearing – Clean Energy Implementation Plan
11. Public Hearing - 2021 Integrated Resource Plan

12. Malaga Park Feasibility Study Update

Consent Agenda

13. Minutes of the November 30, 2021 Special Meeting and December 6, 2021 Regular Meeting

14. Vouchers: Accounts Payable Summary Report dated December 15, 2021:

- a. Vouchers totaling \$33,261,556.79;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period December 1, 2021 through December 14, 2021 in the amount of \$42,189.63.
- c. Approval of the net Payroll, Warrant Nos. 237684 through 237695 and Advice Nos. 726255 through 727014 for the pay period ending December 5, 2021 in the amount of \$2,196,979.09.
- d. Approval of Warrant Nos. 28121 through 28155 totaling \$12,189.63 for claim payments from the workers' compensation self-insurance fund for the period ending December 13, 2021.

Regular Agenda

15. A RESOLUTION AUTHORIZING AMENDMENT NO. 11 TO SERVICES AGREEMENT (SA NO. 13-058) WITH THYSSENKRUPP ELEVATOR CORPORATION TO PROVIDE MAINTENANCE OF THE DISTRICT'S ELEVATOR EQUIPMENT

16. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 4 AND 5, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES

17. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 21-11664) WITH DARKTRACE HOLDINGS LIMITED OF THE UNITED KINGDOM FOR DARKTRACE CYBER DEFENSE PLATFORM AS A SERVICE

18. A RESOLUTION APPROVING THE DISTRICT'S 2021 INTEGRATED RESOURCE PLAN

19. A RESOLUTION ESTABLISHING THE DISTRICT'S 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET FOR 2022-23 AS REQUIRED UNDER RCW CHAPTER 19.285

20. A RESOLUTION APPROVING THE DISTRICT'S 2021 CLEAN ENERGY IMPLEMENTATION PLAN

21. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN EXTENDED DURATION POWER SALES AGREEMENT

22. Manager Items

23. Commission Items

a. Election of 2022 Officers

24. Follow-up on Delegation of Action Items from Previous Board Meeting

25. Delegation of Action Items

26. Additional Public Comment

Members of the public are encouraged to ask specific questions after each item presented. This agenda item is for additional comments/questions related to matters not on the agenda.

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

28. 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 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)

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO.
11 TO SERVICES AGREEMENT (SA NO. 13-058)
WITH THYSSENKRUPP ELEVATOR CORPORATION
TO PROVIDE MAINTENANCE OF THE DISTRICT'S
ELEVATOR EQUIPMENT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 13-058) on January 19, 2013 with ThyssenKrupp Elevator Corporation to provide maintenance only of the District's elevator equipment, in an amount not to exceed \$56,831.87. Amendments 1 through 10 added \$511,437.81 for a not-to-exceed dollar amount of \$568,269.68 and extended the Service Agreement through December 31, 2020.

District staff has identified the need for continuing services for maintaining the District's elevator equipment.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 13-058 with ThyssenKrupp Elevator Corporation to extend for one (1) additional year in the amount of \$81,784.68, for a total revised contract price not to exceed \$650,054.36 through 2022.

The General Manager 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, WASHINGTON as follows:

Section 1. The General Manager is hereby authorized to execute an Amendment to Services Agreement (SA No. 13-058) with ThyssenKrupp Elevator Corporation to provide the additional services identified above. The revised contract price will not exceed \$650,054.36 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 20st day of December 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 4 AND 5, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On December 30, 2019, the District entered into a contract (Bid No. 19-72) with Rayfield Brothers Excavating, Inc. of Peshastin, Washington for Unit Price Excavation Services in the amount of \$812,985.60 through December 31, 2022, with the option to extend one (1) additional year. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080. The bid by the Contractor was the low bid and met the District's specifications.

On October 5, 2020, by Resolution No. 20-14491, the Commission of the District ratified FWO/CO Nos. 1 and 2 and authorized the General Manager to execute FWO/CO No. 3 for a revised contract price of 2,307,985.60 for District-wide unit price excavation services and to support planned and unplanned work for Fiber, Distribution, and Transmission through 2020.

The work in Field Work Order Nos. 4 and 5 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order/Change Order Nos. 4 and 5, which are on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
4	Adjust Annual Unit Prices	\$0
5	Increase the not-to-exceed Contract Price	\$495,000
Total		\$495,000

Field Work Order Nos. 4 and 5 resulted in a net increase in the Contract Price of \$495,000 for a revised not to exceed contract price of \$2,802,985.60 (excluding sales tax), which District staff recommend be ratified. Field Work Order 5 was issued to support the PPB Fiber Acceleration, Distribution cable replacements, and high priority Transmission work throughout 2020 and 2021.

Additionally, District Staff recommends execution of FWO/CO No. 6 to increase the not-to-exceed amount by \$650,000 for a revised not-to-exceed Contract Price of \$3,452,985.60. The additional \$650,000 will be used for continued support on the PPB Fiber Acceleration and priority Transmission work as well as other possible District-wide needs through the end of 2022.

The General Manager of the District concurs with staff's recommendations that Field Work Order/Change Order Nos. 4 and 5 be ratified, and that Field Work Order/Change Order No. 6 be approved.

ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 4 and 5 were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change Orders are hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to execute Field Work Order/Change Order No. 6 resulting in a revised Contract Price of \$3,452,985.60 (excluding sales tax). A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

Section 3. The General Manager of the District is hereby further authorized, in accordance with the delegated authorities established by Resolution No. 17-14215, to adjust the Contract Price via Field Work Order/Change Order as deemed prudent for the efficient completion of District priorities contemplated under this Contract. Any such Field Work Order/Change Order shall be in compliance with all policies of the District and shall be filed in the offices thereof.

DATED this 20th day of December 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 21-11664) WITH DARKTRACE HOLDINGS LIMITED OF THE UNITED KINGDOM FOR DARKTRACE CYBER DEFENSE PLATFORM AS A SERVICE

FACTUAL BACKGROUND AND REASONS FOR ACTION

Darktrace Cyber Defense Platform-as-a-Service is a network detection and response (NDR) security system. NDR solutions use advanced analytical techniques such as machine-learning to detect suspicious network activity. This enables IT to respond to anomalous or malicious traffic and threats that other security tools may miss.

The goal of bringing this platform-as-a-service (a combination of hardware and software-as-a-service) into the District is to add an important layer of security to our environment to augment our ability to detect and respond to anomalous and/or malicious traffic within our corporate network.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements that exceed \$500,000.

Darktrace Holdings Limited (“Darktrace”) of the United Kingdom has prepared a proposal to perform Darktrace Cyber Defense Platform-as-a-Service for an estimated cost of \$504,000 over a five year time period, paid in annual increments of \$100,800.

District staff has determined that Darktrace is the best qualified firm to provide the required services and that the cost for said services of \$504,000 is a fair and reasonable price.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement with Darktrace for the above-described services.

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 is hereby authorized to enter into a Services Agreement with Darktrace for Darktrace Cyber Defense Platform as a Service

in an amount not to exceed \$504,000 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 20th day of December 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING THE DISTRICT'S 2021
INTEGRATED RESOURCE PLAN**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 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 2021 integrated resource plan (IRP) in compliance with RCW 19.280. The IRP reflects changing conditions since the 2020 IRP.

To encourage participation of its customer-owners in the development of this IRP, District staff made a presentation to the Board of Commissioners on October 18, 2021, for which notice was published in a display advertisement in the Wenatchee World on September 25, 2021. The presentation gave an overview of the IRP 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 October 30, 2021 and December 4, 2021, display advertisements appeared in the Wenatchee World inviting public participation at the next scheduled Board meeting on December 6, 2021, 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 20,

2021, and indicated that District staff would be requesting Commission approval of the IRP. A similar display advertisement was published on December 11, 2021, again inviting public participation in the hearing to be held at the Board meeting on December 20, 2021 and also indicating that District staff would be requesting Commission approval of the IRP. A display advertisements also appeared in the Cashmere Valley Record, Lake Chelan Mirror and Leavenworth Echo on December 1, 2021 inviting public participation in the December 6, 2021 meeting as well as the December 20, 2021 final hearing. Additionally, a legal advertisement appeared in the Wenatchee World on December 4, 2021, notifying customers of this final hearing on December 20, 2021, at 1:00 p.m. The legal notice has been submitted for the hearing record.

On December 20th, 2021, the properly noticed public hearing was held. District staff recommended adoption of the proposed 2021 IRP that was presented at the December 6, 2021 public meeting. The proposed 2021 IRP is a thorough analysis and a fair representation of the District's resource planning situation throughout the planning period of the IRP (2021-2030). Further, staff recommended that the 2021 IRP be approved, made available to the public and submitted to the Washington State Department of Commerce by September 1, 2022. 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 30, 2021. The public comment period for both ended on December 14, 2021. 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 2021 IRP is hereby approved and the General Manager of the District is hereby authorized to make it available to the public and submit the IRP, in its entirety, to the Washington State Department of Commerce by September 1, 2022 and take other steps necessary to comply with RCW 19.280.

DATED this 20th day of December 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION ESTABLISHING THE DISTRICT'S
10-YEAR CONSERVATION POTENTIAL PLAN AND
TWO-YEAR CONSERVATION TARGET FOR 2022-23
AS REQUIRED UNDER RCW CHAPTER 19.285

FACTUAL BACKGROUND AND REASONS FOR ACTION

In November 2006, Washington voters approved the Energy Independence Act (the Act), also known as Initiative 937. The Act, codified as RCW Chapter 19.285, directs utilities that serve more than 25,000 customers to develop targets for energy conservation and use of eligible renewable resources. The District serves more than 25,000 electric customers and is subject to the Act's requirements.

Conservation is defined in the statute as any reduction in electric power consumption resulting from an increase in the efficiency of energy use, production or distribution. Beginning January 1, 2010, qualifying utilities have been required under the Act to acquire all conservation that is cost-effective, reliable and feasible. Utilities are required to identify their achievable cost-effective conservation potential. Every two years the utility must review and update its 10-year conservation potential plan and establish a biennial acquisition target that is not less than the pro rata share of the 10-year conservation potential and meet that target during the subsequent two-year period. The District has developed its biennial target and 10-year plan in accordance with RCW 19.285 and WAC 194-37-070. The recommended 10-year conservation potential plan is attached as Exhibit A. The General Manager concurs with this recommendation.

On November 24, 2021, a legal advertisement notifying customers of a public hearing and opportunity to submit public comment on conservation targets and planning appeared in The Wenatchee World. On December 20, 2021, the properly noticed public hearing established the 10-year conservation plan and two-year conservation target as required under RCW Chapter 19.285. No comments were received prior to the hearing on December 20, 2021.

ACTION

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

Section 1. It is in the best interest of the District to establish the 10-year conservation potential plan and two-year conservation target as set forth in Exhibit A. The Commission will review the plan and target as required by RCW 19.285. The District's biennial target shall be no less than its pro rata share of its 10-year conservation potential plan.

President

ATTEST:

Vice President

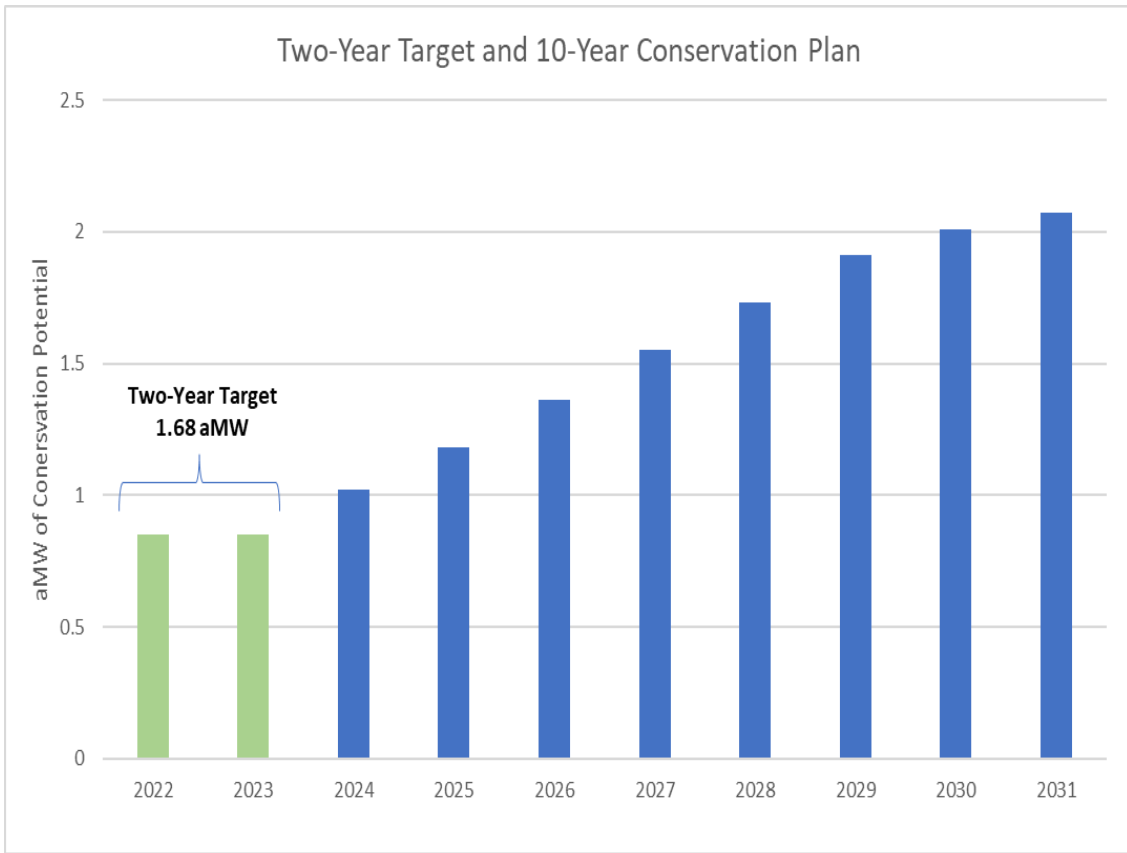
Secretary

Commissioner

Commissioner

Seal

Exhibit A



RESOLUTION NO. _____

A RESOLUTION APPROVING THE DISTRICT'S 2021
CLEAN ENERGY IMPLEMENTATION PLAN**FACTUAL BACKGROUND AND REASONS FOR ACTION**

RCW 19.405, Clean Energy Transformation Act, requires the District as a consumer-owned utility to develop clean energy implementation plans (CEIPs). According to the statute, each consumer-owned utility must:

“ [D]evelop and submit to the department a four-year clean energy implementation plan for the standards established under sections 4(1) and 5(1) of this act that: (i) Proposes interim targets for meeting the standard under section 4(1) of this act during the years prior to 2030 and between 2030 and 2045, as well as specific targets for energy efficiency, demand response, and renewable energy; (ii) Is informed by the consumer-owned utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5); (iii) Is consistent with subsection (4) of this section; and (iv) Identifies specific actions to be taken by the consumer owned utility over the next four years, consistent with the utility's long-range resource plan and resource adequacy requirements, that demonstrate progress towards meeting the standards under sections 4(1) and 5(1) of this act and the interim targets proposed under (a)(i) of this subsection. The specific actions identified must be informed by the consumer-owned utility's historic performance under median water conditions and resource capability and by the consumer owned utility's participation in centralized markets. In identifying specific actions in its clean energy implementation plan, the consumer-owned utility may also take into consideration any significant and unplanned loss or addition of load it experiences.”

RCW 19.405 requires investor-owned and consumer-owned utilities to produce a 4-year CEIP every four years. Consumer-owned utilities must adopt and submit their first CEIP to the Washington Department of Commerce by January 1, 2022. Utilities must provide reasonable opportunities for customers and interested stakeholders to provide input during the development of, and prior to the adoption of, the CEIP. The District is a consumer-owned utility.

District staff has developed a 2021 CEIP in compliance with RCW 19.405.

While developing the CEIP, District staff received recommendations from the Low Income Advisory Group on identification of vulnerable populations and selection of customer benefit indicators for the CEIP. The CEIP incorporated these recommendations.

To encourage participation of its customer-owners in the development of this plan, District staff made a presentation to the Board of Commissioners on October 18, 2021, for which notice was published in a display advertisement in the Wenatchee World on September 25, 2021. The presentation gave an overview of the CEIP 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/clean-energy-implementation-plan>) was identified as being available with information for the public to review and make comments. On October 30, 2021 and December 4, 2021, display advertisements appeared in the Wenatchee World inviting public participation at the next scheduled Board meeting on December 6, 2021, for presentation and review of the final draft CEIP. The same advertisements also invited public participation in the hearing to be held at the Board meeting on December 20, 2021, and indicated that District staff would be requesting commission approval of the CEIP. A similar display advertisement was published on December 11, 2021, again inviting public participation in the hearing to be held at the Board meeting on December 20, 2021 and also indicating that District staff would be requesting commission approval of the IRP. Display advertisements also appeared in the Cashmere Valley Record, Lake Chelan Mirror and Leavenworth Echo on December 1, 2021 and December 15, 2021 inviting public participation in the December 6, 2021 meeting as well as the December 20, 2021 final hearing. A legal advertisement appeared in the Wenatchee World on December 4, 2021, notifying customers of this final hearing on December 20, 2021, at 1:00 p.m. The legal notice has been submitted for the hearing record. Additionally, the District posted a notification via its Twitter account on December 3, 2021 inviting public participation at the December 6 and December 20 Board meetings. The District received two written comments encouraging the District to consider incentivizing rooftop solar. District staff believes the comments do not warrant CEIP revision and intend to inform the commenters that the District is considering initiating a new solar program in 2022. No other public comment was received.

On December 20th, 2021, the properly noticed public hearing was held. District staff recommended adoption of the proposed 2021 CEIP that was presented at the December 6, 2021 public meeting. The proposed CEIP is a reasonable analysis and a fair representation of the District's Clean Energy Implementation Plan-related goals throughout the planning period of the CEIP (2022–2025). Further, staff recommended that the 2021 CEIP be approved, made available to the public and submitted to the Washington State Department of Commerce by January 1, 2022. No public comment was 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 2021 CEIP is hereby approved and the General Manager of the District is hereby authorized to make it available to the public and submit the CEIP, in its entirety, to the Washington State Department of Commerce by January 1, 2022 and take other steps necessary to comply with RCW 19.405.

DATED this 20th day of December 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER
TO ENTER INTO AN EXTENDED DURATION POWER SALES
AGREEMENT**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District is authorized to purchase and sell electric energy and capacity pursuant to RCW 54.16.040 and other applicable laws. RCW 54.16.040 provides that the contracts shall extend over such period of years and contain such terms and conditions as determined appropriate by the Commission. RCW 54.16.040 also requires that the Commission, prior to selling energy to other entities, shall first make adequate provision for the needs of the District, actual and prospective. RCW 54.16.040 further requires that a resolution authorizing such transactions must be introduced at a Commission meeting at least ten (10) days prior to the adoption of the resolution.

The District has existing power sales agreements with terms longer than 15 years, authorized by Resolution No. 06-12830 and Resolution No. 08-13552. Continuing to enter into extended duration sales agreements, as part of the District's long-term marketing strategy, is beneficial to the District and its customer-owners.

In Resolution No. 06-12830, adopted January 30, 2006, the Commission directed District staff to use the power sales agreement approved by that resolution as a template for future discussions with other parties on similarly structured power sales. District staff used that agreement as the basis for a modernized template contract for negotiations on future extended duration power sales agreements. The modernized template agreement has been discussed with and provided to the Board of Commissioners and is on file in the offices of the District.

Using this template, and with guidance from the General Manager, staff has negotiated to sell an amount of surplus energy, capacity, and environmental attributes consistent with the Long-Term Marketing Strategy Principles and Cost-Plus Template Concepts presented to and discussed with the Board on March 15, 2021, and July 6, 2021 (Long-Term Marketing Strategy Updates). The proposed contract would have a term of twenty (20) years, with deliveries beginning on January 1, 2026, and running through December 31, 2045. The total amount of output to be sold through this contract is contemplated at five percent (5%) of the output of Rocky Reach and Rock Island hydroelectric projects through December 31, 2030, increasing to ten percent (10%) for the remainder of the term. A draft of the proposed contract has been provided to the Board of Commissioners and is on file in the offices of the District.

The proposed contract is surplus to the actual and prospective needs of the District, and does not increase the District's stream flow or outage risks. Contract pricing is based on the District's cost of production, along with price adders for the additional value provided from the output, including from environmental attributes and capacity. The terms and conditions of the proposed Contract are consistent with the principles and template concepts presented to Board during the Long-Term Marketing Strategy Updates.

Staff recommends that it is in the best interest of the District to enter into the extended duration power sales agreement consistent with the principles provided to the Board in the Long

Term Marketing Strategy Updates. 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. At a public meeting on December 20, 2021, this Resolution was introduced to the Commission seeking authorization to enter into a proposed Power Sales Agreement consistent with the principles and template concepts that were presented to and reviewed with the Commission as part of the Long-Term Marketing Strategy Updates. Pursuant to RCW 54.16.040, the Commission delayed action on whether to approve the proposed Resolution to allow ten (10) calendar days to pass.

Section 2. The Commission hereby approves the Resolution and authorizes and directs the General Manager (or designee) to execute the proposed Power Sales Agreement on behalf of the District on terms and conditions consistent with the principles and template concepts set out in the Long Term Marketing Strategy Updates.

Section 3. The Commission also authorizes the General Manager (or designee) to execute on behalf of the District any necessary or appropriate agreements and to take actions necessary to effectuate this Resolution and the Power Sales Agreement on behalf of the District.

DATED this 30th day of December 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L