

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

SPECIAL COMMISSION MEETING

DECEMBER 30, 2021

Public participation will be by phone or by Microsoft Teams

For phone participation dial: 253-999-5697

Meeting ID: 821-005-090#

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

If you would like to participate via Teams, please email rebekah.neumann@chelanpud.org to request the meeting invite

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

9:00 AM

1. Pledge of Allegiance
2. Public Hearing: Commissioner District Boundaries
3. A RESOLUTION REVISING AND CONFIRMING THE BOUNDARIES OF THE COMMISSIONER DISTRICTS OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON
4. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN EXTENDED DURATION POWER SALES AGREEMENT
5. Manager Items

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

RESOLUTION NO. _____

A RESOLUTION REVISING AND CONFIRMING THE
BOUNDARIES OF THE COMMISSIONER DISTRICTS
OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN
COUNTY, WASHINGTON**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Pursuant to Chapters 54.12 and 29A.76 RCW, the boundaries of Public Utility District No. 1 of Chelan County (“District”) must be examined by the Board of Commissioners every ten years and adjusted as appropriate to meet the criteria specified in RCW 29A.76.010, which include equalizing the population of each district as nearly as possible. The District last addressed the issue and changed boundaries on February 6, 2012 by Resolution 12-13703.

Notice of the time and place of the public meeting and the public hearing was published in the Wenatchee World, a legal newspaper of Chelan County, Washington, in the manner required by law on December 16, 2021 and December 18, 2021, and the draft plan was published on the District’s website beginning on December 15, 2021.

The notice of the time and place of the public meeting given in the Wenatchee World stated the public meeting would be held on December 20, 2021 at 10:00 a.m. and the public hearing would be held on December 30, 2021 at 9:00 a.m. virtually, with dial-in information provided. An email address and a physical address for submitting written comments were also included in the notice, and the notice directed interested parties to the District’s website for more information.

On December 20, 2021 at 10:00 a.m., in the manner fixed by the notice for the public meeting, the Board discussed the boundaries of Commissioner Districts 1, 2, and 3 and At-Large Commissioner Districts A and B and whether any changes were needed. Any and all persons who dialed in to the meeting were given the opportunity to express their opinions with respect to the Commissioner District boundaries, to which no changes were proposed. The Board had previously set a public hearing thereon to be held by the District at the time of 9:00 a.m., on December 30, 2021.

Notice of the time and place of the public hearing was further continually published in the Wenatchee World, a legal newspaper of Chelan County, Washington, in the manner required by law on December 23, 2021 and December 25, 2021.

The notice of the time and place of the public hearing given in the Wenatchee World stated the aforesaid public hearing would be held at 9:00 a.m. on December 30, 2021 virtually, with dial-in information provided. An email address and a physical address for submitting written comments were also included in the notice, and the notice directed interested parties to the District’s website for more information.

On December 30, 2021 at 9:00 a.m., in the manner fixed by the notice for the public hearing, any and all persons who dialed in to the meeting were given the opportunity to express their opinions with respect to the Commissioner District boundaries.

After due consideration of all comments received, whether in writing or presented orally at the public hearings, with all members present, the Commission of the District finds and determines that it is necessary, proper and in the best interests of the District and the inhabitants thereof that the existing boundaries of District's Commissioner Districts Nos. 1, 2, and 3, and the At-Large Commissioner Districts A and B remain unchanged.

District Staff, in coordination with staff from the Chelan County Auditor's office, have developed a map depicting the boundaries of Districts 1, 2, and 3, and At-Large Districts A and B, which will be filed with the office of the Chelan County Auditor and which will be available at the County and in the offices of the District.

ACTION

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

Section 1. The boundaries of Commissioner Districts Nos. 1, 2, and 3 and At-Large Districts A and B of Public Utility District No. 1 of Chelan County, Washington are left unchanged and shall, as of and from the date of this resolution, comprise the respective areas in Chelan County, Washington, as set forth and depicted in the map developed in conjunction with the Chelan County Auditor's office, on file in the District's offices, and filed with the offices of the Chelan County Auditor.

Section 2. Having adopted said boundaries of the Commissioner Districts Nos. 1, 2, and 3 and At-Large Commissioner Districts A and B of Public Utility District No. 1 of Chelan County, Washington, the boundaries as set forth in Resolution 12-13703 adopted by the Commission on February 6, 2012 are rescinded to the extent inconsistent with this Resolution.

Dated this 30th 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 delivery 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