

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington January 23, 2023

The regular meeting of the Commission, of Public Utility District No. 1 of Chelan County, Washington, was held in the office of the District, 327 N. Wenatchee Avenue, Wenatchee, Washington, on January 23, 2023, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Steve McKenna, Vice President
Garry Arseneault
Carnan Bergren
Randy Smith (by phone)

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

Guests present: Kalie Worthen

Call to Order

- Vice President McKenna called the meeting to order at 10:00am

Pledge of Allegiance and Safety/HPI Minute

- Alex Smith, Director Business Technology Solutions, led the pledge and provided information on vehicle fire safety

Agenda

- Resolutions 15 and 16 were moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Kirk Hudson, General Manager, recognized December winners Tom Matsuzaki, Technician, and Errin Bratton, Senior Recruiter

Quarterly Board Balanced Scorecard Update

(see Chelan PUD website for presentation)

- Commissioner McKenna noted that Commissioners set the metrics each year and work towards meeting those targets; Commissioners will review metrics at the next board workshop

Fisheries Update

(see Chelan PUD website for presentation)

- Alene Underwood, Director Natural Resources, Catherine Willard, Senior Fisheries Biologist, and Lance Keller, Senior Fisheries Biologist, reviewed the Habitat Conservation Plan (HCP) implementation, Rocky Reach survival study, and the hatchery program and tributary fund

- The Habitat Conservation Plans are 50-year agreements to use an adaptive approach and best available science to achieve no-net impact for salmon and steelhead
- Rocky Reach survival studies will be completed in 2023; reviewed timeline and cost
- Reviewed hatchery production targets, facility locations, and tributary committee funded projects

Legislative Update

(see Chelan PUD website for presentation)

- Tracy Yount, Director External Affairs, and Kelli Scott, Government/External Affairs Program Manager, gave an update on current legislative activities
- Topics of interest include wildfire mitigation, transmission, habitat protection standards, and recreational use protection
- Provided an update on the 2023 session, overview of bills of interest and what to expect the remainder of the session

Electric Vehicle (EV) Strategy

(see Chelan PUD website for presentation)

- Andrew Grassell, Energy Development/Conservation Manager, and Jim White, Senior Energy Conservation Engineer, reviewed the District transportation electrification roadmap, including plans for 2023:
- Operationalize Low Carbon Fuel Standard program
- Identify high potential DC fast charging sites for potential future deployment
- Conduct EV adoption study: data for IRP, system planning, and identify value of managed charging program
 - Residential customers
 - Local fleet survey
 - School districts
- Maintain regular engagement with LINK on buildout and innovative peak reduction efforts
- Support District fleet electrification efforts
- Develop managed charging pilot for 2024/2025 implementation

Power Sales Agreement and Draft Resolution Review

(see Chelan PUD website for presentation)

- Janet Jaspers, Director Energy Operations Planning and Trading, provided an update on the long term marketing strategy and power sales agreement
- Updated Commissioners on the long term marketing guiding principles and strategy
- Reviewed power sales agreement, noting differences from template
- Introduced a draft resolution, which would authorize the General Manager to execute the power sales agreement, for the Board's consideration at the February 6 meeting

Recess at 12:16pm, Reconvene at 1:00pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the January 9, 2023 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated January 18, 2023:
 - Vouchers totaling \$11,908,085.54;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 4, 2023 through January 17, 2023 in the amount of \$28,172.46.
 - Approval of the net Payroll, Warrant Nos. 238037 through 238048 and Advice Nos. 748672 through 749443 for the pay period ending January 1, 2023 in the amount of \$ 2,336,577.05.

- Approval of Warrant Nos. 29114 through 29179 totaling \$11,071.51 for claim payments from the workers' compensation self-insurance fund for the period ending January 16, 2023.
- Approval of debt service paid with reserve account interest earnings of \$33,213.65 for the period January 1, 2023 through January 31, 2023.
- Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-14 WITH RIDGELINE CUSTOM BUILDERS, LLC OF WENATCHEE, WA AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 13. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 22-12065 WITH ARROW CONCRETE AND ASPHALT SPECIALTIES, LLC OF SPOKANE VALLEY AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 15. A RESOLUTION APPROVING A NEW INTERGOVERNMENTAL COOPERATIVE PURCHASING MASTER CONTRACT (NO. 22-12609) USAGE AGREEMENT BETWEEN THE DISTRICT AND THE INTERLOCAL PURCHASING SYSTEM ("TIPS")
- Resolution 16. A RESOLUTION AMENDING RESOLUTION 20-14438 SHARED COST ALLOCATION ASSUMPTIONS FOR THE WATER, WASTEWATER, AND FIBER & TELECOM BUSINESS LINES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bergren

To approve the consent agenda as revised to include Resolutions 15 and 16

Approved: Unanimously

Resolution 14

(see Chelan PUD website for resolutions)

- Tim Scheumann, Project Manager, presented Resolution 14
- Resolution 14. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 5 THROUGH 8, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-04 WITH BRIVO CORP. OF CHENEY, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bergren

To approve Resolution 14 as presented

Approved: Unanimously

Manager Items

- Jennifer Pickel, Fiber & Telecom Business Manager, updated Commissioners on a fiber grant application
 - Funding provided by American Rescue Plan Act; administered by the state broadband office
 - Applied for \$6.2M for 5 tower areas on the south shore of Lake Chelan
 - Awards will be announced in March
- Kirk Hudson, General Manager, provided a couple of updates
 - 2023 District Performance Plan was shifted to the next meeting due to a full agenda today
 - Kirk will be speaking this week at The Future of Energy in our Valley, joined by Gary Ivory, Douglas PUD, and Rich Wallen, Grant PUD, as well as the NWPPA Wildfire Workshop

Commission Items

- Commissioner Bergren attended WPUDA meetings last week and recognized Erik Wahlquist, General Counsel, for presenting commissioner training
- Commissioner Bergren also toured the Service Center and Confluence Parkway last week

Follow up on Delegation of Action Items from 1/9/23 Board meeting

- None

Delegation of Action Items

- External Affairs will provide more information on legal challenges to the Climate Commitment Act
- Andrew Grassell will share DC fast charging rate with new commissioners

Executive Session

Vice President McKenna convened an executive session at approximately 1:20pm 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), 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), to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c), and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 90 minutes.

Regular Session Reconvened at 2:49pm

Vice President McKenna stated no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting adjourned at 2:49pm

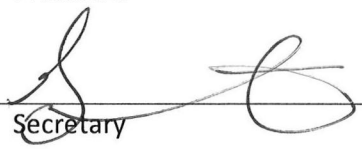


Vice President



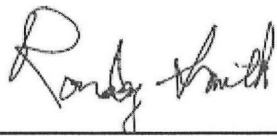
Commissioner

President



Secretary

Commissioner



Randy Smith

Randy Smith - Board Member
Approved on 2/7/2023 2:12PM PST