

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Chelan County, Washington
February 5, 2024**

The regular meeting of the Commission, of Public Utility District No. 1 of Chelan County, Washington, was held in the office of the District, 203 Olds Station Road, Wenatchee, Washington, on February 5, 2024, at the hour of 10:00 am, pursuant to proper notice.

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

Staff present: Kirk Hudson, General Manager
Erik Wahlquist, General Counsel
Teresa Boushay, Acting Clerk of the Board
Various staff

Others present: Steve Keene, Kasey Safford, Shawn Cox, Nick Rossi

Call to Order

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

Pledge of Allegiance and Safety/H&OP Minute

- Rachel Hansen, Senior Communications Strategist, led the pledge and provided tips on moving snow using the proper tools and ergonomic techniques.

Agenda

- The agenda was approved as presented

Quarterly District Performance Plan Status Update

- Managing Directors reviewed the 2023 fourth quarter metric exceptions report
- General Manager Kirk Hudson noted that 69% of the items met their targets, similar to recent years. Projects that were finished earlier in the year were not covered in this final review.

Columbia River System Operations Settlement Update

- Tracy Yount, External Affairs Director, and Suzanne Grassell, Senior Policy Advisor, provided current information on Federal action related to Columbia and Snake River operations agreements.
- Legal process currently in motion regarding a Memorandum of Understanding between US Government and "Six Sovereigns" intended to pause Endangered Species Act litigation.
- Shared concerns about the closed door negotiations which were inaccessible to utilities, navigation and agricultural interests.

Legislative Update

- Kelli Scott, Government/External Affairs Program Manager, and Tracy Yount, External Affairs Director, gave a status update on bills of interest in the Washington State Legislature.

Peshastin Water District Acquisition Rate Adder Discussion

- Cathy Melton, Customer Service Program Analyst, and Heather Irelan, Director of Treasury, gave an update stemming from feedback received on rate adders and a preview of today's resolutions related to the acquisition of the Peshastin system.
- Rate adder examples were discussed, along with potential use of grants or Public Power Benefit funds to cover some or all of the capital funding requirements.

Consent Agenda

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

- Minutes of the January 22, 2024 Regular Meeting and January 26, 2024 Board Workshop
- Vouchers: Accounts Payable Summary Report dated January 30, 2024:
 - Vouchers totaling \$16,360,936.41;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 16, 2024 through January 29, 2024 in the amount of \$52,578.30;
 - Approval of the net Payroll, Warrant Nos. 238356 through 238368 and Advice Nos. 770721 through 771517 for the pay period ending January 14, 2024 in the amount of \$2,629,495.09.
 - Approval of Warrant Nos. 30614 through 30721 totaling \$49,603.93 for claim payments from the workers' compensation self-insurance fund for the period ending January 29, 2024.
 - Approval of Parks Reservation System customer refunds for the period January 16, 2024 through January 29, 2024 in the amount of \$280.00.
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-9, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 20-17 WITH HALME BUILDERS, INC. OF DAVENPORT, WASHINGTON FOR SYSTEM OPERATIONS BACKUP CONTROL CENTER AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3 AND 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 22-12367 WITH MICHELS PACIFIC ENERGY, INC. OF TUMWATER, WA, AND AUTHORIZING PAYMENT OF RETAINAGE

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve the consent agenda as presented

Approved: Unanimously

Resolutions 12 and 13

- Cathy Melton, Customer Service Program Analyst, and Heather Irelan, Director of Treasury, presented Resolutions 12 and 13
- Resolution 12. A RESOLUTION AMENDING THE DISTRICT'S WATER RATE SCHEDULES TO ESTABLISH A BASIC MONTHLY CHARGE FOR 8" WATER METERS AND WAREHOUSE TANK SURCHARGES
- Resolution 13. A RESOLUTION AUTHORIZING A LOAN FROM THE FINANCING FACILITIES SYSTEM TO THE WATER SYSTEM TO RETIRE AND REPLACE EXISTING PESHASTIN WATER DISTRICT LOANS IN AN AMOUNT NOT TO EXCEED \$1,040,000

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Smith

To approve Resolutions 12 and 13 as presented

Approved: 4 in favor, Commissioner Bergren abstained

Resolution 14

- Dorothy Claymore, Technology Programs Manager, and Cody Gillin, GIS Solutions Engineer, presented Resolution 14
- Resolution 14. A RESOLUTION AUTHORIZING AMENDMENT NO. 8 TO SERVICES AGREEMENT (SA-TA NO. 18-024) WITH POWER ENGINEERS, INC. TO PROVIDE GIS SYSTEM CONSULTING SERVICES AND ASSISTANCE

Resolution 15

- Court Hill, Project Management Manager, and Mark Belton, Purchasing and Contracts Supervisor, presented Resolution 15
- Resolution 15. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A MASTER INTERLOCAL AGREEMENT (SA 23-13264) WITH CITY OF WENATCHEE

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve Resolutions 14 and 15 as presented

Approved: Unanimously

Recess @ 12:05pm, Reconvene @ 1:00pm

Commission Travel

- Lisa Sanders, Legal Office Administrator, reviewed upcoming Commissioner travel

Commission Items

- Commissioner Arseneault shared observations from his recent trip to Yellowstone regarding the lack of snow, which greatly restricted normal seasonal activities. He correlated that to similar conditions locally, noting that snow is our raw material and critical for our operations.

Follow up on Delegation of Action Items from 1/22/24 Board meeting and 1/26/24 Board workshop

- Lindsey Mohns will provide information on previous system acquisitions and whether rate adders were included
- Ron Slabaugh will provide the risk value of the Peshastin Water District acquisition
- Kirk Hudson will further discuss Commissioner feedback with staff and develop fiber program recommendations for Commissioner consideration

Delegation of Action Items

- Tracy Yount will investigate who is representing the State of Washington in the Columbia River System Operation Settlement agreement negotiations
- Kelli Scott to report on:
 - How state funding is distributed to local governments for installing electric vehicle charging stations
 - Whether there is additional funding for electricity usage for vehicle charging stations
- Cathy Melton and Heather Irelan will provide PPB allocation options and potential impacts to rate adder, future PPB allocations, and water system financial metrics

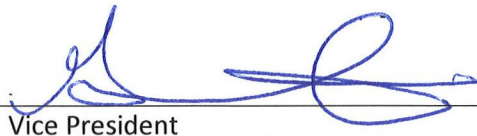
Executive Session

Vice President Arseneault convened an executive session at approximately 1:19pm 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 review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 45 minutes.


Regular Session Reconvened at 2:18pm

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

There being no other business, the meeting adjourned at 2:18pm.



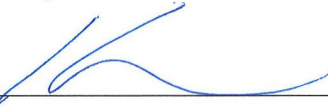
Vice President



Commissioner



President



Secretary



Commissioner