

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington February 7, 2022

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 February 7, 2022, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Steve McKenna, President (by phone)
Garry Arseneault (by phone)
Dennis Bolz (by phone)
Ann Congdon (by phone)
Randy Smith (by phone)

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

Guests present: Frank Kuntz and Laura Merrill, City of Wenatchee
Various City of Wenatchee staff and community members
Dave Arbaugh, lobbyist

Call to Order

- President McKenna called the meeting to order at 10:01am

Pledge of Allegiance and Safety/HPI Minute

- Stace Knudtson, Customer Service Representative, led the pledge and provided information on heart disease and heart health

Agenda

- Resolution 9 was moved to the consent agenda; the agenda was approved as revised

Confluence Parkway Update

(see Chelan PUD website for presentation)

- Michelle Smith, Director of Hydro Licensing and Compliance, joined the City of Wenatchee Mayor Frank Kuntz and Executive Services Director Laura Merrill in presenting Confluence Parkway information
- The purpose of the presentation is to update commissioners on the project, acknowledge the hard work the City has put into this effort and mitigating concerns, and request commissioners' approval to begin outreach
- The City has taken the lead on this project, but it is a regional request
- Ultimately, the City will be asking the PUD to sign a letter of concurrence for the NEPA package
- Presentation covered an overview of Confluence Parkway, National Environmental Policy Act (NEPA) overview, section 4(f) of the US Department of Transportation Act, studies and proposed mitigation, community outreach overview, project schedule, Chelan PUD's role under Section 4(f), and Chelan PUD FERC license requirements

Quarterly District Performance Plan Update

(see Chelan PUD website for presentation)

- Managing directors reviewed Q4 metrics completed or delayed
- 70.8% of metrics were completed or are on track

Commissioner Congdon left at this time

Recess at 11:58am, Reconvene at 1:00pm

Legislative Update

(see Chelan PUD website for presentation)

- Shaun Seaman, Government/External Affairs Program Manager, introduced Dave Arbaugh, contract lobbyist, and provided an update on the current session
- Gave an overview of the session timeline, budget issues, and top legislative priorities
- Dave and Tracy will work through the rest of this session together, providing additional updates to commissioners
- Recognized Shaun for his 31 years of service

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the January 24, 2022 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated February 2, 2022:
 - Vouchers totaling \$11,854,609.71;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 19, 2022 through February 1, 2022 in the amount of \$35,683.64.
 - Approval of the net Payroll, Warrant Nos. 237725 through 237739 and Advice Nos. 728521 through 729284 for the pay period ending January 16, 2022 in the amount of \$2,216,977.57.
 - Approval of Warrant Nos. 28210 through 28248 totaling \$34,212.15 for claim payments from the workers' compensation self-insurance fund for the period ending January 31, 2022.
 - Approval of debt service paid with reserve account interest earnings of \$241,887.57 for the period January 1, 2022 through January 31, 2022.
 - Approval of debt service paid with reserve account interest earnings of \$1,386.18 for the period February 1, 2022 through February 28, 2022.
- Resolution 9. A RESOLUTION ACCEPTING THE PROPOSAL OF OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OR TO PROVIDE DESIGN-BUILD SERVICES FOR THE ROCK ISLAND POWERHOUSE NO. 2 UNIT MOTOR CONTROL CENTERS (MCCS) REPLACEMENT PROJECT (RFP NO. 20-44) AND TO AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONTRACT FOR SAID SERVICES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To approve the consent agenda as revised to include Resolution 9

Approved: Unanimously

Resolution 10

(see Chelan PUD website for resolutions)

- Amy Smith, External Financial Reporting Program Manager, presented Resolution 10
- Resolution 10. A RESOLUTION ADOPTING REGULATORY ACCOUNTING FOR ACTUARIAL CHANGES TO PENSION EXPENSE

Resolution 11

(see Chelan PUD website for resolutions)

- Brett Bickford, Director of Engineering and Project Management, presented Resolution 11
- Resolution 11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO EXECUTE SERVICE AGREEMENTS WITH MCMILLEN, LLC DBA MCMILLEN JACOBS ASSOCIATES OF BOISE, IDAHO (SA 21-11984) AND HATCH ASSOCIATES CONSULTANTS, INC. OF SEATTLE, WASHINGTON (SA 22-12099) FOR PROFESSIONAL ENGINEERING SERVICES FOR THE ROCK ISLAND SPILLWAY GATE HANDLING IMPROVEMENTS

Resolution 12

(see Chelan PUD website for resolutions)

- Ron Slabaugh, Water/Wastewater Manager, presented Resolution 12
- Resolution 12. A RESOLUTION APPROVING A SECOND ADDENDUM TO TEMPORARY WATER RIGHT MITIGATION AGREEMENT BETWEEN THE REGIONAL WATER SYSTEM MEMBERS AND CROWN COLUMBIA WATER RESOURCES, LLC

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To approve Resolutions 10, 11, and 12 as presented

Approved: Unanimously

Manager Item

- Gary Rice, Project Manager Principal, and Jenna Rahm, Customer Outreach Specialist I, provided an update on the North Shore substation outreach process
 - Reviewed design phase outreach to date, timeline for additional outreach, and next steps
 - Once design is finalized, will submit conditional use permit on time to start construction in the fall

Commissioner Travel

- Lisa Sanders, Legal Administrative Assistant, reviewed upcoming Commissioner travel

Commission Items

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To set a special meeting on Tuesday, March 29, 2022 @ 1:00pm to be held virtually for the purpose of holding a Tri-Commission meeting. Virtual meeting information will be posted on the PUD website.

Approved: Unanimously

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

- Rebekah will update the Board balanced scorecard association representative list – completed 1/24/22

Delegation of Action Items

- Kirk Hudson will provide the District Performance Plan completed items comparison – completed 2/7/22
- PUD Staff will work with the City to answer questions regarding Confluence Parkway:
 - Provide commissioners additional information on the improvement of noise mitigation from a higher sound barrier wall
 - The distance between the campground and proposed road
 - Has there been a carbon emissions odor study done impacting the wetlands
 - Was there consideration given to make this an EV-only road

Commissioner Congdon rejoined the meeting at this time

Executive Session

President McKenna convened an executive session at approximately 2:05pm 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 plan the strategy or position to be taken during the course of collective bargaining, as authorized by RCW 42.30.140(4)(b) and to evaluate the qualifications of an applicant for public employment as authorized by RCW 42.30.110(1)(g) for approximately 90 minutes.

Regular Session Reconvened at 3:30pm

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

There being no other business, the meeting adjourned at 3:30pm.

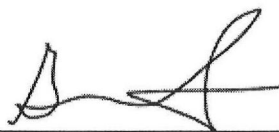
President

Vice President

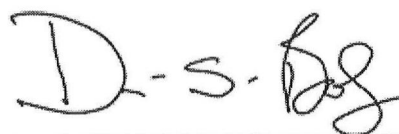
Secretary

Commissioner

Commissioner



Garry Arseneault - Board Member
Approved on 2/28/2022 5:18PM PST



Dennis Bolz - Board Member
Approved on 2/23/2022 4:06PM PST



Ann Congdon - Board Member
Approved on 2/23/2022 2:40PM PST



Steve McKenna - Board Member
Approved on 3/2/2022 11:17AM PST



Randy Smith - Board Member
Approved on 2/24/2022 6:55AM PST