

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington February 21, 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 February 21, 2023, at the hour of 10:00 am, pursuant to proper notice thereof.

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

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

Guests present: Anna Shepard, Dorry Foster, Alicia Nakata, Rufus Woods, Art Ruckman, Kalie Worthen, Linda Haglund, Rosa Pulido, Jerri Barkley, Jim Kuntz, Chris Carlson, John Mausser, Vicki Michael

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Griselda Gonzalez, Energy Resources & Conservation Rep, led the pledge and provided information on heart health

Agenda

- Resolution 11 was 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 January winners Andy Wendell, Director of Customer Service and Stakeholder Outreach, and Neil Neroutsos, Communications Manager

Fifth Street Redevelopment Update

(see Chelan PUD website for presentation)

- Dan Frazier, Director Shared Services, and David Lodge, Project Management Manager, presented options for redevelopment of the Fifth Street property including pros and cons of each
- Reviewed process, project goals, and option development steps
- Staff recommends Option 4 with a 2-phase approach to develop anchor uses

- Dorry Foster, YMCA, and Vicki Michael and John Mausser, Music Theatre of Wenatchee, expressed their support of Option 4; thanked staff and commissioners for their effort on this project
- Linda Haglund, Wenatchee Downtown Association, and Chris Carlson, of Cashmere, spoke in favor of Options 4 or 5
- Jim Kuntz, Chelan Douglas Regional Port Authority, endorsed Option 4 as well and encouraged the District to consider further investments to improve the chances of project success

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To direct staff to proceed with Option #4 as presented and report back to the Commission by the second meeting in June

Approved: Unanimously

Audit Committee Annual Update

(see Chelan PUD website for presentation)

- Stacey Jagla, Internal Audit Manager, presented the annual audit committee report outlining 2022 activities along with internal and external audit results
- Stacey thanked Commissioners for their participation in committee activities

Quarterly Financial Review and Investment Report

(see Chelan PUD website for presentation)

- Mark Mullins, Director Enterprise Planning and Risk Analytics, and Dave Nelson, Manager Strategic Financial Planning, reviewed 4th quarter results
- 2022 results are better than budget from both ongoing operations and net surplus proceeds
- Accomplished significant level of investment in core assets on strategic path to ensure long-term value
- Results support long-term plans for significant capital investments that are expected to draw down cash reserves in next few years
- District long-term financial metrics on track with no new external debt issuance in the next five-year planning horizon
- Inflation and supply chain issues are impacting projects, but are manageable and continue to be evaluated for future forecasts

Recess at 12:15pm, Reconvene at 1:10pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the February 6, 2023 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated February 15, 2023:
 - Vouchers totaling \$18,316,786.90;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 1, 2023 through February 14, 2023 in the amount of \$134,592.17.
 - Approval of the net Payroll, Warrant Nos. 238061 through 238072 and Advice Nos. 750229 through 750994 for the pay period ending January 29, 2023 in the amount of \$ 2,274,566.08.
 - Approval of Warrant Nos. 29228 through 29300 totaling \$11,354.85 for claim payments from the workers' compensation self-insurance fund for the period ending February 13, 2023.
- Resolution 11. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA-TA NO. 21-11370) WITH GREENWORKS, P.C. FOR RIVERFRONT PARK ENHANCEMENTS

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Bergren

To approve the consent agenda as revised to include Resolution 11

Approved: Unanimously

Resolution 10

(see Chelan PUD website for resolutions)

- David Lodge, Project Management Manager, and Dan Frazier, Director Shared Services, presented Resolution 10
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 18 THROUGH 21 AND FURTHER APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 22 FOR THE SERVICE CENTER PROJECT WITH ABSHER CONSTRUCTION COMPANY OF PUYALLUP, WA FOR CONSTRUCTION OF THE SERVICE CENTER PROJECT PURSUANT TO GENERAL CONTRACTOR/CONSTRUCTION MANAGER (GC/CM) CONTRACT NO. 18-91

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve Resolution 10 as presented

Approved: Unanimously

Manager Items

- Ron Slabaugh, Water/Wastewater Manager, provided an update on Regional's water rights lease to Crown
 - The Regional Water System anticipates a fourth addendum to the Crown Columbia lease
 - Ecology requested Regional use a temporary change application, rather than the seasonal application used previously
 - Will come back with a future resolution authorizing the General Manager to sign the fourth addendum
 - Regional requested an additional \$50k for the water rights; Crown pays all of Regional's legal costs, but pushed back on the additional fee for the water rights
- Andy Wendell, Director of Customer Service and Stakeholder Outreach, discussed lessons learned in acquiring property for future substation sites
 - About 18 months ago started looking at potential sites for acquisition that would be suitable for a substation to support load growth in Wenatchee
 - Engaging the community at a public meeting tonight, inviting public comment on the four potential sites identified within the Tree Fruit Research Center
- Kirk Hudson, General Manager, noted that quarterly project reports were included in Commissioners' meeting materials

Commission Items

- Annual Strategy Partners Update

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To set a special meeting on Friday, April 21, 2023 @ 1:00pm at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding a Strategy Partners Update Meeting

Approved: Unanimously

- Commissioner Arseneault noted that Commissioners will be travelling to Washington DC next week to participate in the American Public Power Association and Washington PUD Association Meetings

- Commissioner Allen recently attended the Women in Public Power conference; great to hear from so many PUDs and staff at all levels
- Commissioner Smith recently traveled through areas heavily utilized for wind power; understands impacts on viewshed

Follow up on Delegation of Action Items from 2/6/23 Board meeting

- Kelli Scott will provide further information on who may be impacted by the proposed decarbonization bill
- Ryan Baker will provide a schedule of parks projects along with budget information
- Ryan Baker will provide ideas on how to increase local usage at Beebe Bridge park

Delegation of Action Items

- None

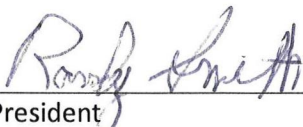
Executive Session

President Smith convened an executive session at approximately 1:50pm 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 information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities pursuant to RCW 42.30.110(1)(a)(ii), 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), and 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) for approximately 120 minutes.

Regular Session Reconvened at 3:50pm

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

There being no other business, the meeting adjourned at 3:50pm




 President

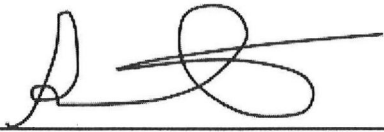
 Vice President

 Secretary

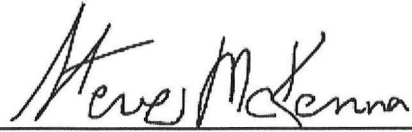
 Commissioner



 Commissioner



Garry Arseneault - Board Member
Approved on 3/8/2023 8:19AM PST



Steve McKenna - Board Member
Approved on 3/8/2023 10:20AM PST