

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington February 22, 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 22, 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: Malachi Salcido

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Dave Parkhill, Senior Safety and Health Coordinator, led the pledge and provided information on burn awareness

Agenda

- Resolution 13 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 winner Bill Sweeney, Senior Transmission System Engineer

Audit Committee Annual Update

(see Chelan PUD website for presentation)

- Stacey Jagla, Internal Audit Manager, presented the annual audit committee report outlining 2021 activities along with internal and external audit results
- Commissioner McKenna commented on the commendable audit results

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 financial results
- 2021 results are better than budget from both ongoing operations and infrequent revenues we can't count on every year
- 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 fully use cash reserves in the next few years
- District long-term financial metrics on track including an assumed new debt issuance in the next five-year planning horizon
- COVID-19 impacts continue to be manageable
- Recommend staying the course with 2020-2024 strategic plan goals

Quarterly Electrical Load Growth

(see Chelan PUD website for presentation)

- Andy Wendell, Director Customer Service and Stakeholder Outreach, reviewed quarterly load growth
- New construction and redevelopment remain strong
- Electrical infrastructure investments are timely
- Forecast increase of 1.4% actual is slightly higher from cold snap observations
- Confidence levels around load growth increases with improved planning
- District utilities positioned well to meet demands of growth

Annual Report of Safety Concern Reports Received and Follow Up Survey Results

(see Chelan PUD website for presentation)

- Ronda Wilkinson, Director Safety and HPI, and Joe Estey Jr., of Lucas Engineering, reported on 2021 safety concern reports and the results of a follow-up safety survey
- Ronda reviewed proactive safety measures, safety concerns submitted compared to prior years, and the number of concerns that have been resolved
- There remains a backlog of safety concerns that the team continues to work through
- Lucas Engineering completed a follow up survey in December; they reported on the comparison of results, top five categories of comments, recommendations, and next steps
- Commissioners expressed appreciation for the update and support of the safety program; this is a priority value for the Commission

Manager Items

- Dan Frazier, Director Shared Services, provided information on the upcoming request for proposals for the 5th Street campus redevelopment
 - Priority will be given to a single developer and scoring criteria will include how Riverside Playhouse parking will be addressed
 - Anticipated RFP dates: issue on March 3, pre-proposal meetings and tours on March 23 and 30, with a due date of April 14
 - Staff will rank the responses, follow up on any questions and bring a recommendation to the Board on May 31 along with information on all respondents
- Neil Neroutsos, Communications Manager, provided an overview of planned Confluence Parkway outreach
 - Commissioner questions from the last meeting were answered in a memo
 - Two open houses and two trail walks will be held on March 30
 - Staff will reach out directly to various stakeholders
 - The events will be advertised through press releases, paid ads, trail signage, social media, and emails to key stakeholders

- An online survey will also be available for anyone who cannot attend on March 30
- Kelly Boyd, Chief Financial and Risk Officer, requested Commission approval of the Treasurer candidate
 - Debbie Litchfield is retiring March 30, 2022; on track to backfill the position with one month of overlap
 - Kelly reviewed the interview process for the Treasurer position; Heather Irelan is recommended for the Treasurer position which requires Board approval under the RCW

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Congdon

To designate Heather Irelan as Treasurer of Chelan County PUD pursuant to RCW 54.24.010 effective February 28, 2022

Approved: Unanimously

Recess at 11:58am, Reconvene at 1:02pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the February 7, 2022 Regular Meeting and February 9, 2022 Special Meeting
- Vouchers: Accounts Payable Summary Report dated February 16, 2022:
 - Vouchers totaling \$17,302,931.30;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 2, 2022 through February 15, 2022 in the amount of \$139,672.55.
 - Approval of the net Payroll, Warrant Nos. 237740 through 237754 and Advice Nos. 729285 through 730050 for the pay period ending January 30, 2022 in the amount of \$2,107,977.42.
 - Approval of Warrant Nos. 28249 through 28317 totaling \$15,658.59 for claim payments from the workers' compensation self-insurance fund for the period ending February 14, 2022.
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 20-11332) WITH GEM RESOURCING LLC. TO PROVIDE DISTRICT WIDE PERSONNEL RECRUITING SERVICES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To accept the consent agenda as revised to include Resolution 13

Approved: Unanimously

Resolution 11

(see Chelan PUD website for resolutions)

- Mitch Clark, Senior Project Manager, presented Resolution 11
- Resolution 11. RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 3-05 and 3-06, AND APPROVING EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 3-07, FOR THE THIRD AND FOURTH UNITS UNDER CONTRACT NO. 14-22 WITH VOITH HYDRO, INC. OF YORK, PA FOR ROCKY REACH UNITS C-8 THROUGH C-11 TURBINE REPAIRS

Resolution 12

(see Chelan PUD website for resolutions)

- John Sagerser, Engineering and Project Management Manager, presented Resolution 12
- Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-ECP, 3, 1-GMP1 AND 6 – PRE-CONSTRUCTION AND AUTHORIZING THE EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO.

1-GMP2 TO CONTRACT NO. 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO FOR THE
ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT

Resolution 14

(see Chelan PUD website for resolutions)

- Gary Rice, Principal Project Manager, presented Resolution 14
- Resolution 14. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR THE SUPPLY OF THE SUBSTATION CIRCUIT SWITCHERS (BID NO. 21-28) AND AUTHORIZING THE SUPPLY OF THE SUBSTATION CIRCUIT SWITCHERS BE OBTAINED BY NEGOTIATION

Resolution 15

(see Chelan PUD website for resolutions)

- Jennifer Burns, Environment and Cultural Resource Program Manager, presented Resolution 15
- Adds funds due to extensive work at the Service Center site
- Resolution 15. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 21-11388) WITH ARCHAEOLOGICAL INVESTIGATIONS NORTHWEST, INC. OF PORTLAND, OREGON TO PROVIDE ARCHAEOLOGICAL MONITORING, SITE SURVEY, AND HISTORIC PROPERTIES REVIEW

Resolution 16

(see Chelan PUD website for resolutions)

- George Velazquez, Engineering and Project Management Manager, presented Resolution 16
- Replaces one pump in the juvenile fish bypass with a newer model as the current pumps cannot be repaired
- The District is looking at the components of the fish bypass system to determine what needs to be replaced as the system ages
- Resolution 16. A RESOLUTION DECLARING WHITNEY EQUIPMENT COMPANY, INC. OF BOTHELL, WASHINGTON AS THE SOLE SOURCE SUPPLIER OF A FLYGT PP-7900-706 PUMP FOR ROCKY REACH DAM (CONTRACT NO. 22-12121) AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE THE PURCHASE OF ONE PUMP

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To accept Resolutions 11, 12, 14, 15, and 16 as presented

Approved: Unanimously

Commission Items

- APPA Resolution
 - Commissioners have discussed opposition to breach the Lower Snake River Dams; this supports that effort at the national level

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

That Chelan PUD co-sponsor the American Public Power Association Resolution 22-X in support of hydropower, the federal Columbia River power system, and opposing breach of the Lower Snake River dams

Approved: Unanimously

- Commissioner Congdon recognized and recommended the PUD's program The Power Hour hosted by Lacy Stockton

Follow up on Delegation of Action Items from 2/7/22 Board meeting

- 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: - completed today
 - 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

Delegation of Action Items

- Neil Neroutsos will schedule time for Commissioners McKenna and Arseneault to talk further with Michael Minor on the Confluence Parkway sound study

Public Comment

- Malachi Salcido requested a 3-year transitional contract under the HDL rate for three business sites while he works with District staff to address the unintended consequences of Rate Schedule 36

Executive Session

President McKenna convened an executive session at approximately 2:00pm 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), 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 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

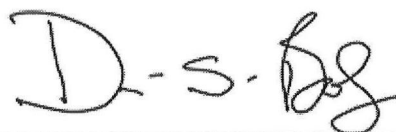
Secretary

Commissioner

Commissioner



Garry Arseneault - Board Member
Approved on 3/8/2022 8:34AM PST



Dennis Bolz - Board Member
Approved on 3/9/2022 8:07AM PST



Ann Congdon - Board Member
Approved on 3/10/2022 10:19AM PST



Steve McKenna - Board Member
Approved on 3/10/2022 4:00PM PST



Randy Smith - Board Member
Approved on 3/8/2022 8:22AM PST