

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

Guest present: Malachi Salcido

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Sarah DeLozier, Customer Service Operations Supervisor, led the pledge and provided information on slips, trips and falls

Agenda

- Resolution 12 was moved to the consent agenda; the agenda was approved as revised

Quarterly Energy Resources Update

(see Chelan PUD website for presentation)

- Shawn Smith, Managing Director Energy Resources, and Mike Bradshaw, Director Energy Structure and Trading, reviewed 4th quarter results
- The District's 2021 actual net wholesale revenue was \$66M and was \$1M below budget
 - After adding in other energy-related revenue, the actual revenue is \$146M and \$37M higher than budget
- Western Resource Adequacy Program (WRAP) continues to progress on schedule
- Western Market momentum continues in the West
 - California Independent System Operator Extended Day-Ahead Market (CAISO EDAM)
 - Southwest Power Pool (SPP) Markets+

Tumwater Dam Update

(see Chelan PUD website for presentation)

- Alene Underwood, Fish and Wildlife Manager, provided an update on Tumwater Dam maintenance needs and proposed public outreach
- Reviewed history and current uses, past and future maintenance, and proposed public outreach
- Public outreach is anticipated to occur in late May or early June

Legislative Update

(see Chelan PUD website for presentation)

- Tracy Yount, Director External Affairs, and Dave Arbaugh, contract lobbyist, provided an update on the 2022 session
- Reviewed budget issues, top legislative priorities, and bills of interest

Fiber Rate Update

(see Chelan PUD website for presentation)

- Bob Shane, Managing Director Fiber and Telecom, gave an update on suggested fiber rate modifications
- Updated rate proposal since November 1, 2021 presentation; proposed rates restructures VLAN service rates and eliminates tiered rates
- Received feedback on VLAN rate proposal; this need is directly related to enabling service providers to remain competitive in an aggressive market to provide high-capacity, high-speed telecom services
- Revenue comparison reflects an estimated reduction of ~\$76k

Manager Items

- Katie Marshall, Senior Technical Project Manager, gave an advanced metering infrastructure (AMI) update and reviewed key messages and proposed outreach channels
- Kirk Hudson, General Manager, introduced Brett Bickford, Managing Director Generation and Transmission
 - Thanked Dan Garrison for serving as Acting Managing Director during the transition

Commission Items

- Commissioner Arseneault attended the APPA Legislative Rally
 - Opportunity to visit with legislators; focused discussion on the Columbia River Treaty
 - While we continue to support termination of the treaty, new language is being developed which would create a policy for federal compensation for flood control paid for under the current treaty
- Annual Strategy Partners Update

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Smith

To set a special meeting on Tuesday, April 19, 2022 @ 9:30am to be held virtually for the purpose of holding an Annual Strategy Partners Update meeting. Virtual meeting information will be posted on the PUD website.

Approved: Unanimously

Commissioner Travel

- Rebekah Neumann, Executive Assistant/Clerk of the Board, reviewed upcoming Commissioner travel

Executive Session

President McKenna convened an executive session at approximately 11:20am 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 plan the strategy or position

to be taken during the course of collective bargaining, as authorized by RCW 42.30.140(4)(b) for approximately 40 minutes.

Regular Session Reconvened at 12:03pm

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

Recess at 12:03pm, Reconvene at 1:00pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the February 22, 2022 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated March 2, 2022:
 - Vouchers totaling \$6,704,425.02;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 16, 2022 through March 1, 2022 in the amount of \$21,313.28.
 - Approval of the net Payroll, Warrant Nos. 237755 through 237769 and Advice Nos. 730051 through 730816 for the pay period ending February 13, 2022 in the amount of \$2,148,284.70.
 - Approval of Warrant Nos. 28318 through 28380 totaling \$10,840.30 for claim payments from the workers' compensation self-insurance fund for the period ending February 28, 2022.
 - Approval of Parks Reservation System customer refunds for the period February 1, 2022 through February 24, 2022 in the amount of \$70.00.
 - Approval of debt service paid with reserve account interest earnings of \$5,082.63 for the period March 1, 2022 through March 31, 2022.
- Resolution 12. A RESOLUTION DECLARING VIBROSYSTEM, INC. OF LONGUEIL, QUEBEC, CANADA AS THE SOLE SOURCE SUPPLIER OF ONLINE CONDITION MONITORING EQUIPMENT AND TECHNICAL SERVICE (SA NO. 22-12105) FOR USE AT THE DISTRICT'S HYDROELECTRIC FACILITIES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Congdon

To accept the consent agenda as revised to include Resolution 12

Approved: Unanimously

Resolution 10

(see Chelan PUD website for resolutions)

- Lance Keller, Senior Fisheries Biologist, presented Resolution 10
- This study will help the District optimize operations at Rock Island Dam
- Resolution 10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 22-12086) WITH FOUR PEAKS ENVIRONMENTAL SCIENCE & DATA SOLUTIONS, LLC. OF WENATCHEE, WASHINGTON FOR CONDUCTING A 2022 ROCK ISLAND SUBYEARLING FISH PASSAGE AND BEHAVIOR STUDY

Resolution 11

(see Chelan PUD website for resolutions)

- Tim Detering, Senior Project Manager, presented Resolution 11
- Resolution 11. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR THE PURCHASE OF THE SYSTEM OPERATIONS BACKUP CONTROL CENTER (BID NO. 20-17) AND AUTHORIZING THE SYSTEM OPERATIONS BACKUP CONTROL CENTER BE OBTAINED BY NEGOTIATION

Resolution 13

(see Chelan PUD website for resolutions)

- Bob Shane, Managing Director Fiber and Telecom, presented Resolution 13
- Resolution 13. A RESOLUTION RESCINDING AND REPLACING RESOLUTION NO. 18-14274 AND ADOPTING NEW TELECOMMUNICATION RATES FOR WHOLESALE TELECOMMUNICATIONS SERVICES BY SERVICE PROVIDERS ON THE DISTRICT'S BROADBAND SYSTEM

Resolution 14

(see Chelan PUD website for resolutions)

- Lindsey Mohns, Business Services and Customer Utilities Manager, presented Resolution 14
- Approves language to implement the AMI opt-out program previously adopted by the board
- Resolution 14. A RESOLUTION AMENDING THE DISTRICT'S ELECTRIC RATE SCHEDULE 1 RESIDENTIAL SERVICE TO INCLUDE PROVISIONS OF THE DISTRICT'S ADVANCED METERING INFRASTRUCTURE OPT-OUT PROGRAM AS ADOPTED VIA RESOLUTION NO. 20-14414

Resolution 15

(see Chelan PUD website for resolutions)

- Devin Myers, Senior Project Manager, presented Resolution 15
- Work orders addressed time extensions, updated specifications, and pricing
- GMP amendment 2 covers installation of the components procured under GMP amendment 1
- Resolution 15. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1, 1-PC (PRECONSTRUCTION), 2-PC, 3-PC, 1-GMP1, 2-GMP1, 3-GMP1 AND 4-GMP1, AND AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO NORTHBANK CIVIL AND MARINE, INC. OF VANCOUVER, WA TO PROVIDE A GUARANTEED MAXIMUM PRICE AND SCHEDULE FOR THE UPGRADE OF UNITS U1 AND U2 UNDER CONTRACT NO. 20-14 FOR THE ROCK ISLAND POWERHOUSE NO. 2 DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Bolz

To accept Resolutions 10, 11, 13, 14 and 15 as presented

Approved: Unanimously

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

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

Delegation of Action Items

- Shawn Smith will determine the resources required to add Lake Chelan and Canadian snow level information to the Current app; will add request to list of potential improvements
- Bob Shane will provide information on how VLAN rate changes will impact schools – provided via email on 3/7

Additional Public Comment

- Malachi Salcido asked for an update on his request presented at the February 22 meeting; Commissioner McKenna indicated that the District is still evaluating the request and does not yet have an estimated timeframe for completion

Executive Session

President McKenna convened an executive session at approximately 1:30pm 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 plan the strategy or position to be taken during the course of collective bargaining, as authorized by RCW 42.30.140(4)(b) for approximately 2 hours.

Regular Session Reconvened at 3:35pm

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

There being no other business, the meeting adjourned at 3:35pm.

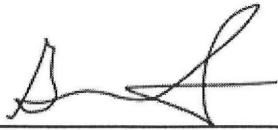
President

Vice President

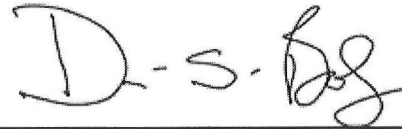
Secretary

Commissioner

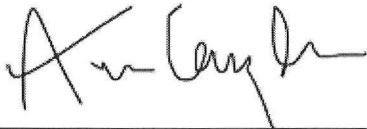
Commissioner



Garry Arseneault - Board Member
Approved on 3/22/2022 9:26AM PDT



Dennis Bolz - Board Member
Approved on 3/21/2022 5:08PM PDT



Ann Congdon - Board Member
Approved on 3/22/2022 3:37PM PDT



Steve McKenna - Board Member
Approved on 3/22/2022 6:55AM PDT



Randy Smith - Board Member
Approved on 3/22/2022 6:48AM PDT