

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington March 15, 2021

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 15, 2021, at the hour of 10:00 am, pursuant to proper notice thereof.

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

Staff present: Steve Wright, General Manager
Erik Wahlquist, General Counsel
Rebekah Garfein, Clerk of the Board
Various staff

Call to Order

- Vice-President McKenna called the meeting to order at 10:05am

Pledge of Allegiance and Safety/HPI Minute

- Pat O'Hara, Customer Accounts Coordinator, led the pledge and provided information on eye health and safety; encouraged use of good safety glasses

Agenda

- Resolution 10 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)

- Steve Wright, General Manager, recognized February winners Jenny Conrad, Senior Safety & Health Coordinator, and Jennifer Dixon, Payroll Program Manager

Peshastin Water District Update

(see Chelan PUD website for presentation)

- John Stoll, Managing Director of Customer Utilities, and Lindsey Mohns, Customer Utilities Business Manager, provided an update on the Peshastin Water District
- Reviewed initial request, evaluation approach, and next steps
- Peshastin Water District (PWD) financial sustainability currently has a positive outlook given recent rate actions and future capital projects
 - Opportunities exist to bring PWD financial metrics closer to District targets with grant and other funding
- Steve Keene, PWD Interim General Manager, highlighted the need for a new well to serve growth and perfect water rights

Long-Term Marketing Strategies

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, provided an update on the District's long-term marketing strategies
- There is increased emphasis on this because the market has moved
- Reviewed existing inventory and current marketing; contract revenues are increasingly important as retail rates are now nearly 50% less than actual costs
- Reviewed reasons to shift marketing strategy now along with risks, a proposal to move forward, and guiding principles for the District's portfolio and cost of production contracts

Manager Items

- Devin Myers, Senior Project Manager, provided information on the Rock Island Powerhouse 2 Draft Tube Gate Hydraulics Project
 - This project will shift from O&M to a capital project; a resolution on April 5 will contain a capital budget revision and completion of a long lead guaranteed maximum price
 - There is benefit in accelerating this project to be completed in 2021-2024
- John Wasniewski, Energy Analyst II, reviewed Lake Chelan Lake Level Management
 - The March 1 snow survey shows a water supply forecast at 111% of average, which puts us on the dry and average curve for Lake Chelan; will begin to fill the lake on April 1

Recess at 12:01pm, Reconvene at 1:20pm

Technical difficulties delayed the start of the afternoon session

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the March 1, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated March 10, 2021:
 - Vouchers totaling \$7,563,872.98;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 24, 2021 through March 9, 2021 in the amount of \$47,187.30;
 - Approval of the net Payroll, Warrant Nos. 237410 through 237425 and Advice Nos. 710307 through 711070 for the pay period ending February 28, 2021 in the amount of \$2,065,232.59;
 - Approval of Warrant Nos. 27314 through 27349 totaling \$8,585.88 for claim payments from the workers' compensation self-insurance fund for the period ending March 8, 2021.
- Resolution 8. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 19-81 WITH KRCI, LLC OF EAST WENATCHEE AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
- Resolution 10. A RESOLUTION DECLARING ACCRUENT OF AUSTIN, TX AS THE SOLE SOURCE SUPPLIER OF MERIDIAN SOFTWARE AND SUPPORT

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To accept the consent agenda as amended to include Resolution 10

Approved: Unanimously

Resolution 9

(see Chelan PUD website for resolution)

- Ken Smith, Enterprise Applications Manager, presented Resolution 9
- Erik Wahlquist, General Counsel, noted this contract is coming forth through a resolution due to the length of time the District will need services; the collective total will likely exceed delegated authority

- Resolution 9. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO APPROVE RENEWALS OF THE ORACLE CUSTOMER INFORMATION SYSTEM SOFTWARE

Resolution 11

(see Chelan PUD website for resolution)

- Justin Erickson, Managing Director of District Services, presented Resolution 11
- Reviewed funding exchanges within the agreement
- Resolution 11. A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT RELATING TO DEVELOPMENT PROJECTS WITH THE CITY OF WENATCHEE

Moved by: Commissioner Bolz

Seconded by: Commissioner McKenna

To approve Resolutions 9 and 11 as presented

Approved: Unanimously

Manager Items

- John Stoll, Managing Director of Customer Utilities, highlighted the COVID19 Customer Impacts report
 - Energy assistance through Community Action increased significantly in February due to a new funding cycle; customers that previously received assistance were eligible again
- Justin Erickson, Managing Director of District Services, gave an update on the Rocky Reach Discovery Center landscape, safety, and accessibility improvement Public Power Benefit (PPB) request
 - The project team has advanced the design and finalized costs for the full project at \$400k and a reduced scope project for \$200k
 - Steve Wright explained how we can provide flexibility within PPB dollars, should the need arise
 - Commissioners gave a head nod to proceed with the \$400k project at Rocky Reach

Commission Items

- Strategy Partners Update Meeting

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bolz

To set a special meeting on Thursday, April 29, 2021 @ 1:00pm to be held virtually for the purpose of holding a Strategy Partners Update meeting. Virtual meeting information will be posted on the PUD website.

Approved: Unanimously

- Commissioner Smith gave a reminder that the Washington PUD Association meetings are this week

Follow up on Delegation of Action Items from 3/1/21 Board meeting

- Catherine Willard will provide information on items that impact fish return and survival
- Alene Underwood will provide information on the maximum beneficial elevation gain for fish ladders
- Steve Wright will provide information on the cost of reducing connection fees for purchasers of low-income housing from tax-exempt organizations
- Andrew Grassell will provide additional information on low-income program options outlining financial impact to customers compared to cost of program
- Steve Wright will further describe resource adequacy

Delegation of Action Items

- Steve Wright will provide information to Commissioner Arseneault on the dollar value of hydro environmental and capacity attributes

Executive Session

President Smith 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) and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 90 minutes.

Regular Session Reconvened at 3:13pm

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

There being no other business, the meeting adjourned at 3:14pm.

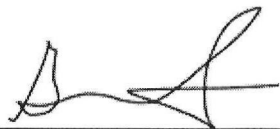
President

Vice President

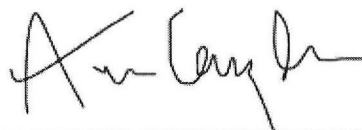
Secretary

Commissioner

Commissioner



Garry Arseneault - Board Member
Approved on 4/9/2021 9:13AM PDT



Ann Congdon - Board Member
Approved on 4/5/2021 7:37PM PDT



Steve McKenna - Board Member
Approved on 4/12/2021 9:16AM PDT



Randy Smith - Board Member
Approved on 4/6/2021 7:11AM PDT