

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington April 15, 2024

The regular meeting of the Commission, of Public Utility District No. 1 of Chelan County, Washington, was held in the office of the District, 203 Olds Station Road, Wenatchee, Washington, on April 15, 2024, at the hour of 10:00 am, pursuant to proper notice.

Commissioners present: Steve McKenna, President
Garry Arseneault
Randy Smith
Carnan Bergren
Kelly Allen

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

Others present: Mike Kaputa, Laura Gloria

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Rob Witham, Reliability Compliance Manager, led the pledge and provided information on power tool safety

Agenda

- The agenda was approved as submitted

Cycle of Personal Ownership (CPO) Winner Recognition

- Kirk Hudson, General Manager, recognized March CPO winners Jill Stephens, Enterprise Application Analyst III, Allison Bergstrom, Senior Enterprise Risk Management Analyst, and Mark Belton, Purchasing and Contracting Admin Supervisor

Quarterly Board Balanced Scorecard Status Update

- Rebekah Neumann, Clerk of the Board, reviewed Q1 report metric exceptions

Public Power Benefit (PPB) 2024 Funding Allocation

- Justin Erickson, Chief Strategy & Stakeholder Officer, reviewed remaining 2024 PPB funds and a partnership request from Chelan County to support wildfire mitigation efforts
- Mike Kaputa, Chelan County Natural Resources Director, noted that the proposed District funding is about 10% of the total project budget
- Commissioners are supportive of the partnership but have questions about the funding; staff will proceed with an interlocal agreement

Public Power Benefit Fiber Program Update

- Commissioners recognized Bob Shane for his years of service in advance of his upcoming retirement
- Bob Shane, Managing Director Fiber & Telecom, gave an update on the PPB fiber program through 2023
- 6,433 Premises passed; expected to reach 9,256 premises by 2026
- Chris Blayne, Managing Director Fiber & Telecom, reported we are on track to finish the project within budget, scope and schedule
 - More growth than initially forecasted
 - South Shore Lake Chelan build is still in development
 - Connection costs higher than expected
 - Overall PPB performance (take rate) exceeds target

Business Planning Approach

- Mark Mullins, Interim Chief Financial and Risk Officer, provided information on upcoming business planning
- Business planning processes, assumptions and subsequent budget are informed by the Strategic Plan
 - New strategic 50-year vision will be in process during 2024 as we plan and budget for 2025
 - Certain plans and programs were tied directly to the 2020-2024 Strategic Plan and timeframe
 - Staff is seeking direction and potential decisions to inform our assumptions for 2025 planning
- More detailed information on these topics will be forthcoming at future meetings for Board consideration

Executive Session

President McKenna convened an executive session at approximately 11:15am 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) for approximately 45 minutes.

Recess @ 12:00pm; Reconvene @ 1:00pm

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

Consent Agenda

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

- Minutes of the April 1, 2024 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated April 09, 2024:
 - Vouchers totaling \$10,836,150.84;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 26, 2024 through April 08, 2024 in the amount of \$164,715.34.
 - Approval of the net Payroll, Warrant Nos. 238413 through 238426 and Advice Nos. 774787 through 775617 for the pay period ending March 24, 2024 in the amount of \$2,666,630.90.
 - Approval of Warrant Nos. 31073 through 31154 totaling \$47,198.60 for claim payments from the workers' compensation self-insurance fund for the period ending April 08, 2024.
 - Approval of Parks Reservation System customer refunds for the period March 26, 2024 through April 08, 2024 in the amount of \$2,100.00.

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve the consent agenda as presented

Approved: Unanimously

Riverfront Park Project Updates

- Justin Erickson gave an update on the costs of the Riverfront Park project

- The project has a budget shortfall of \$4.7M as currently designed
- Laura Gloria, City of Wenatchee, noted they are happy to partner with the PUD on this project and the City is also working on a parking solution near Pybus market
- Commissioners will consider action on the capital budget revision at the next meeting

Resolution 12

- Cathy Melton, Customer Service Program Analyst, and Heather Irelan, Director Treasury, presented Resolution 12
- Resolution 12. A RESOLUTION AMENDING THE DISTRICT'S WATER RATE SCHEDULES TO ESTABLISH A RATE EQUALIZATION CHARGE SPECIFIC TO WATER CUSTOMERS WITHIN THE PESHASTIN WATER SYSTEM SERVICE AREA

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve Resolution 12 as presented

Approved: 4 in favor, Commissioner Bergren abstained

Resolution 13

- Steve Wickel, Manager Transmission and Distribution Engineering, presented Resolution 13
- Resolution 13. A RESOLUTION DECLARING SOUTHERN STATES LLC OF GEORGIA AS THE SOLE SOURCE SUPPLIER OF CSH-B 245kv CIRCUIT SWITCHER 6-900 FOR USE AT THE SUMMIT OF STEVENS PASS

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve Resolution 13 as presented

Approved: Unanimously

Resolution 14

- Lisa Graves, Real Estate Specialist III, and Vicki Griffin, Real Estate and Permitting Manager, presented Resolution 14 and reviewed additional property details
- Resolution 14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SELL A 5.6 ACRE PARCEL OF REAL PROPERTY IN DOUGLAS COUNTY, WASHINGTON, LOCATED ALONG US HIGHWAY 2 NEAR ROCKY REACH DAM, TOGETHER WITH AN ACCESS EASEMENT, TO PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To approve Resolution 14 as presented

Approved: 3 in favor, 2 opposed

Manager Items

- Kirk Hudson, General Manager, recognized Alene Underwood, Director Natural Resources, for her work on the Habitat Conservation Plan (HCP) and the celebration event she organized on March 29
 - Kirk presented Alene with a plaque commemorating 20 years of the HCP

Commission Items

- Special Meetings

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To set two special meetings on Friday, May 17, 2024 and Friday, May 24, 2024. Both meetings to be held @ 9:00am at Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding Board Workshops.

Approved: Unanimously

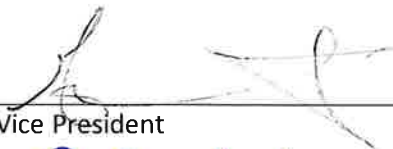
Follow up on Delegation of Action Items from 4/1/24 Board meeting

- Kirk Hudson will provide additional information on the proposed property sale to Douglas PUD and whether the District may have a use for the property as we proceed with strategic planning – information was included in today’s presentation


Delegation of Action Items

- Bob Shane will provide an estimate of the number of full time versus seasonal homes in the South Shore Lake Chelan fiber expansion area

There being no other business, the meeting was adjourned at 1:43pm



Vice President



Commissioner



President



Secretary



Commissioner