

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington May 2, 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 May 2, 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

- Maryann Wood, Systems Support Coordinator, led the pledge and provided information on using the STAR method (Stop, Think, Act, Review)

Agenda

- The agenda was approved as presented

Quarterly District Performance Plan Status Update

(see Chelan PUD website for presentation)

- Managing directors reviewed Q1 metrics completed or delayed
- 80.72% of metrics were completed or are on track

Quarterly Financial Review and Investment Report

(see Chelan PUD website for presentation)

- Mark Mullins, Director Enterprise Planning and Risk Analytics, Dave Nelson, Manager Strategic Financial Planning, and Heather Irelan, Treasurer, reviewed 1st quarter financial results
- Year-end 2022 forecasts are better than budget - Q1 YTD results are better than budget by \$17M
 - Year-end forecasts anticipate higher revenues and some catch-up in operating expenses which will maintain bottom line, better than budget by \$17M
- Long-term financial metrics remain strong - Includes planned borrowing in the next five-year planning horizon to fund a portion of our capital spending program while maintaining our financial metrics

- Inflation impacts are manageable and continue to be monitored and evaluated for future forecasts
- Staff recommends we stay the course with 2020-2024 strategic plan

Quarterly Electrical Load Growth Update

(see Chelan PUD website for presentation)

- Andy Wendell, Director Customer Service and Stakeholder Outreach, reviewed quarterly load growth
- New construction and redevelopment remain strong, sustained growth in new residential meters for 3 to 5 years, electrical infrastructure investments are timely, confidence levels around load growth increases with improved planning, and District utilities are well positioned to meet demands of growth
- James Graves, Distribution Substation Foreman Wireman, noted that Ohme substations is a flagship substation for us; a lot of people involved in designing this to create a future standard
 - Described control house safety features
- Commissioner Bolz noted community concern about all the new construction and whether we will have enough power to meet local needs; he suggested a community education campaign on the topic

Confluence Parkway Due Diligence

(see Chelan PUD website for presentation)

- Michelle Smith, Director Hydro Licensing and Compliance, reviewed a draft scope of work for an environmental noise assessment review and timeline for next steps
- Discussed purpose of environmental noise assessment review and scope of work
- The District continues to work with the City on the environmental assessment, which covers exhaust fumes
- Commissioners confirmed the scope of work is the right direction

Recess at 11:53am, 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 April 18, 2022 Regular Meeting and April 19, 2022 Special Meeting
- Vouchers: Accounts Payable Summary Report dated April 27, 2022:
 - Vouchers totaling \$13,983,391.03;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 13, 2022 through April 26, 2022 in the amount of \$29,537.67.
 - Approval of the net Payroll, Warrant Nos. 237811 through 237822 and Advice Nos. 733180 through 734004 for the pay period ending April 10, 2022 in the amount of \$ 2,361,356.42.
 - Approval of Warrant Nos. 28473 through 28496 totaling \$31,901.49 for claim payments from the workers' compensation self-insurance fund for the period ending April 25, 2022.
 - Approval of Parks Reservation System customer refunds for the period April 13, 2022 through April 26, 2022 in the amount of \$1,260.00.

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bolz

To approve the consent agenda as presented

Approved: Unanimously

Resolution 10

(see Chelan PUD website for resolutions)

- Travis Tucker, Construction Manager III, presented Resolution 10

- Resolution 10. A RESOLUTION REJECTING THE BID OF ARROW CONCRETE & ASPHALT SPECIALTIES, LLC. AND AUTHORIZING DISTRICT WIDE SPORT COURT MAINTENANCE (BID 22-12065) BE OBTAINED BY NEGOTIATION

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Congdon

To accept Resolution 10 as presented

Approved: Unanimously

Resolution 11

(see Chelan PUD website for resolutions)

- Erik Wahlquist, General Counsel, presented Resolution 11
- Resolution 11. A RESOLUTION ESTABLISHING A TRANSITION RATE FOR ELECTRICITY SERVICE TO LOADS TRANSITIONING FROM ELECTRIC RATE SCHEDULE 35 TO SCHEDULE 36 CRYPTOCURRENCY PROCESSING; BLOCKCHAIN PROCESSING; AND SIMILAR LOADS
- Malachi Salcido noted his recent email requesting a 3-year transition to the new rate schedule
- Commissioners further discussed the Rate 35 to Rate 36 transition; resolution tabled until the next meeting

Manager Items

- Brett Bickford, Managing Director Generation & Transmission, reported on the WECC audit results
 - Recognized Chad Bowman, Director of Transmission and Compliance, and Glen Pruitt, Reliability Compliance Manager, on completion of the WECC audit with no findings
 - WECC auditors were complimentary of the District’s culture of compliance; this was a large team effort
- Chad Bowman, and Neil Neroutsos, Communications Manager, gave a North Mid-C Joint Line project update
 - The line is funded by the three Mid-Cs and is being constructed by Douglas PUD
 - The line will alleviate transmission congestion between Rocky Reach and the Columbia substation
 - Construction is about to begin, and the line is expected to be energized in late 2023
- Justin Erickson, Managing Director District Services, reviewed options for the Public Power Benefit (PPB) project solicitation review process
 - Commissioners Congdon and McKenna volunteered to work with staff to review the projects

Commissioner Travel

- Lisa Sanders, Legal Administrative Assistant, reviewed upcoming Commissioner travel

Follow up on Delegation of Action Items from 4/18/22 Board meeting

- Justin Erickson will follow up with the City of Wenatchee on District Confluence Parkway outreach results – completed via email on 4/15/22
- Justin Erickson and Kirk Hudson will contract with a noise consultant to provide additional information on the proposed Confluence Parkway – progress and process reviewed today

Delegation of Action Items

- Michelle Smith will share the City’s environmental study on exhaust fumes for Confluence Parkway
- Erik Wahlquist will provide the staff report for Rate 36 as well as transition impacts
- Rebekah Neumann will check Rock Island and the CTC as potential locations for the July WPUDA meeting

Executive Session

President McKenna convened an executive session at approximately 2:18pm 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 90 minutes.

Executive session extended at 3:45pm for 10 minutes

Regular Session Reconvened at 3:56pm

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

There being no other business, the meeting adjourned at 3:56pm

President

Vice President

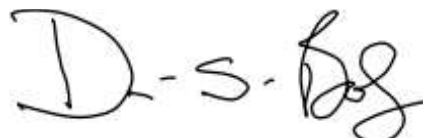
Secretary

Commissioner

Commissioner



Garry Arseneault - Board Member
Approved on 5/24/2022 1:21PM PDT



Dennis Bolz - Board Member
Approved on 5/20/2022 12:07PM PDT



Ann Congdon - Board Member
Approved on 5/18/2022 1:57PM PDT



Steve McKenna - Board Member
Approved on 5/25/2022 6:06PM PDT