

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington May 16, 2025

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 May 16, 2025, 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: Robin Polak, Stephanie Salgado, Marisol Nova, Isabella Garcia, Ximena Talbot, Gael Nunez, Ron Brown, Gene Sharratt, Pete Phillips, Rueben Mayes, Dorry Foster

Call to Order

- President McKenna called the meeting to order at 9:59am

Pledge of Allegiance and Safety/H&OP Minute

- Jason Ridlon, Manager Fleet Services, led the pledge and provided information on vehicle readiness

Agenda

- Resolutions 13 and 14 were moved to the consent agenda; the agenda was approved as revised

Wenatchee High School Advanced Energy Management Team Presentation

- Jim White, Principal Energy Conservation Engineer, introduced the students of the Advanced Energy Management Team from Wenatchee High School
- The team showcased their efforts to lower energy usage of several commercial buildings, helping buildings meet energy efficiency regulations
- The team worked with PUD staff to monitor energy savings
- Commissioners expressed their appreciation for the great job the students have done presenting this information; thanks to Jim White for helping lead this collaboration
- Dr. Gene Sharratt recognized the District leadership and Commissioners for engaging in this program and school officials for supporting the program

Cycle of Personal Ownership (CPO) Award Winner Recognition

- Kirk Hudson, General Manager, recognized April winner Alan Eastridge, Rocky Reach/Lake Chelan Maintenance Superintendent

Washington State Department of Health: Helion Regulatory Requirements

- Brett Bickford, Managing Director Generation and Transmission, introduced Washington State Department of Health Office of Radiation Protection staff Jill Wood, Director, John Martell, Associate Director and Richard Montemarano, X-ray Section Manager
- Reviewed:
 - Agency history
 - Key points of the agreement between the Nuclear Regulatory Commission (NRC) and Washington state
 - The agreement allows the NRC to relinquish their regulatory authority to the state; at a minimum the state must meet federal regulatory standards, but can set higher standards
 - This allows the state more flexibility to address local concerns and NRC assesses the state program annually
 - The difference between fusion and fission and how the Department of Health is involved with fusion
 - How radioactive waste is handled in various scenarios and radiological emergency preparedness
 - Licensing process and public engagement

Transmission Interconnection Update

- Steve Wickel, Manager Transmission and Distribution Engineering, reviewed transmission updates including:
 - Open Access Transmission Tariff
 - Federal Energy Regulatory Commission
 - Interconnection studies and current interconnection queue; the queue currently contains five applicants
 - System upgrades and upgrades that benefit the District
 - In the absence of exclusivity, where an upgrade provides additional value to Chelan PUD, a cost-share proportional to the benefit received by Chelan PUD is proposed

Fifth Street Redevelopment Update

- David Lodge, Manager Project Delivery, and Laine Heikel, Senior Project Manager, provided an overview of the next steps for the old headquarters building on the Fifth Street campus
- Recommendation for next steps is to clear the site, including demolition of the former headquarters building
- A resolution to advertise a bid for demolition and proceed with the demolition if a bid is received that is within the engineer's estimate

Consent Agenda

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

- Minutes of the May 5, 2025 Regular Meeting, May 8, 2025 Special Meeting
- Vouchers: Accounts Payable Summary Report dated May 13, 2025:
 - Vouchers totaling \$14,561,659.88;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 29, 2025 through May 12, 2025 in the amount of \$95,061.22.
 - Approval of the net Payroll, Warrant Nos. 238759 through 238767 and Advice Nos. 799334 through 800210 for the pay period ending May 04, 2025 in the amount of \$2,887,527.40.
 - Approval of Warrant Nos. 33093 through 33133 totaling \$14,807.51 for claim payments from the workers' compensation self-insurance fund for the period ending May 12, 2025.
 - Approval of Parks Reservation System customer refunds for the period April 25, 2025 through May 12, 2025 in the amount of \$1,295.00.
- Resolution 13. A RESOLUTION AMENDING THE DISTRICT'S POLICY FOR NET METERING
- Resolution 14. A RESOLUTION AMENDING THE DISTRICT'S POLICY FOR SUSTAINABLE NATURAL ALTERNATIVE POWER (SNAP) GENERATION

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve the consent agenda as revised to include Resolutions 13 and 14

Approved: Unanimously

Resolution 12

- Alene Underwood, Director Natural Resources, presented Resolution 12
- Resolution 12. A RESOLUTION APPROVING AN IRRIGATION SHARES PURCHASE AND SALE AGREEMENT WITH CHELAN COUNTY

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Allen

To approve Resolution 12 as presented

Approved: Unanimously

Resolution 11

- Leo Avendano, Electrical Engineer I, presented Resolution 11
- Resolution 11. A RESOLUTION DECLARING SOUTHERN STATES LLC OF HAMPTON, GEORGIA AS THE SOLE SOURCE SUPPLIER OF 115KV CIRCUIT SWITCHER FOR USE AT THE WALLA WALLA SUBSTATION

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve Resolution 11 as presented

Approved: Unanimously

Manager Items

- Kirk Hudson noted the quarterly project and contract summary reports were included in the meeting packet
- Daniel Appel, Staff Attorney, provided a Regional Water update regarding the Crown-leased water rights
 - The previous Mitigation Agreement terminates after this year's irrigation season as per the fifth addendum executed last October
 - This new temporary water right agreement will cover the 2026-2029 irrigation seasons and will automatically terminate in 2029; at that point the Regional water right will return to Trust
 - Regional will receive just under \$200k annually; unlike the past agreement, the new agreement will not require annual approvals
- Brett Bickford reported on Helion open houses and other events held May 6, 7, 8, and 14
 - Positive feedback from the community
 - Next steps include: a PUD lease agreement for use of property, permitting process with Chelan County including environmental reports and a conditional use permit for generator building, and the Department of Health (DOH) will assemble the license package and share it with the County
- Thank you for the DOH presentation this morning; thanks to Helion team for their community involvement
- John Stoll, Managing Director Customer Utilities, reported on Stehekin community meetings held May 14, 15
 - Stehekin community meetings were held in collaboration with Chelan County
 - Powerhouse tour provided by Bob Nielsen, Stehekin Operations Attendant
 - Community meeting held at the school; John shared information about the Advanced Metering Infrastructure (AMI) project
 - The AMI data is critical to set the foundation for future power recommendations

- Commissioners echoed the positive sentiments shared by the community and appreciated the opportunity to hear from the community
- Thanks to Mike Kaputa at Chelan County for organizing the visit

Commission Items

- Special meeting

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Smith

To set a special meeting on Wednesday, June 4, 2025 @ 5:30pm at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of a community meeting regarding data center and large load contracts

Approved: Unanimously

Follow up on Delegation of Action Items from 5/5/25 Board meeting

- Justin Erickson will review options for Dryden landowners to purchase water right shares over time
- Janet Jaspers will report on the amount of CCA Carbon Auctions the District participated in since inception, and how many have been held – completed via email on 5/13

Follow up on Delegation of Action Items from Previous meetings

- From 4/21/25: John Stoll will communicate to Commissioners when outages will occur in Leavenworth related to upcoming planned work – completed via email on 5/9

Delegation of Action Items

- None

Recess @ 12:13pm; Reconvene @ 1:15pm

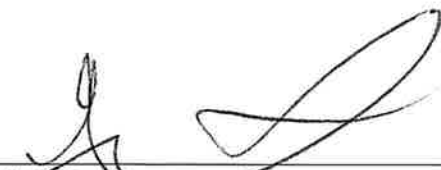
Executive Session

President McKenna convened an executive session at approximately 1:15pm 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 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) 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 90 minutes.

Regular Session Reconvened at 2:28pm

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

There being no other business, the meeting was adjourned at 2:28pm



Vice President

Commissioner



President



Secretary



Commissioner