

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington June 2, 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 June 2, 2025, at the hour of 10:00 am, pursuant to proper notice.

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

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

Others present: Anne Hessburg, Emily Watt, Malachi Salcido, Robin Polak, Meg O'Connor

Call to Order

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

Pledge of Allegiance and Safety/H&OP Minute

- Kirsten Cox, Workers Compensation/Occupational Health Program Manager, led the pledge and described a recent Human & Organizations Performance (H&OP) moment and how systems thinking was applied

Agenda

- Resolutions 11 and 12 were moved to the consent agenda; the agenda was approved as revised

Large Load Framework and Draft Microsoft Agreement

- Charles von Reis, Managing Attorney, and Mike Bradshaw, Director Energy Structure and Trading, reviewed the large load framework and draft terms of the Microsoft agreement
- The large load framework is designed not to affect rates or reliability of other customers; Chelan PUD will maintain control of its assets and manage them for the benefit of its customer-owners
 - Reviewed how the contract template aligns with the large load framework guiding principles
- Proposed changes to Rate Schedules 4 and 36 were reviewed; proposed effective date is August 1, 2025
- Provided next steps and proposed outreach
- Emily Watt and Anne Hessburg, from Microsoft, provided comments
 - Expressed gratitude for transparent and collaborative process to develop contracts
 - It is important to Microsoft to be a good community member and neighbor
 - Noted community support and philanthropy in the past few years and continued support going forward
 - Microsoft will present at the PUD meeting June 4 at the Confluence Technology Center
- Malachi Salcido, Salcido Group, noted confidence in the PUD's ability to negotiate contracts in the best interest of customer-owners

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Smith

To approve the proposed outreach plan and to set a rate hearing on June 16, 2025 at 1:00 pm to consider changes to Rate Schedules 4 and 36

Approved: Unanimously

Draft Helion Lease Agreement

- Brett Bickford, Managing Director Generation and Transmission, provided an overview of the public engagement process and proposed terms of a lease with Helion One LLC
- Public feedback themes were presented, along with responses
- Lease terms include:
 - Duration includes 5 project phases – development, construction, operation, and decommissioning
 - Land use would be up to 80 acres in two parcels, based on need
 - Price will be set based on market rates with annual increases
 - Water system construction costs would be paid by Helion and Helion would operate the system; the PUD retains the water rights
 - Circumstances under which the agreement may be terminated
 - Energy benefit for the PUD would be right of first refusal to purchase excess energy from the first generator and any other available energy produced on the 20-acre parcel
 - Additional terms cover power supply and transmission services
- Reviewed additional approvals needed by Helion for the project to progress including permits from Chelan County and licensing from the Washington State Department of Health
- Tom Bugert, Helion, expressed thanks to the team working through the agreement development; appreciate facilitation of community engagement
- Commissioners thanked Helion for engaging with the community

Parks and Lands Spring Update

- Ryan Baker, Parks Manager, provided an update on Parks activities
- Reviewed current and completed projects, public messaging plan for new park features, planning for future projects and an update on Beebe Bridge park
- Parks are highly valued by customer-owners and other users
- Taking a proactive approach to address increased park usage and emerging trends
- Significant upgrades to park infrastructure planned in 2025 and 2026
- Protection of shoreline resources and assets remains a top priority
- Continuing collaboration with operating and municipal partners in Manson and Chelan

Fifth Street Redevelopment Update

- David Lodge, Manager Project Delivery, and Laine Heikel, Senior Project Manager, provided information in follow up to the May 16 presentation and discussed decision timing for the former headquarters building
- Reviewed decisions to this point and preliminary cost estimate to demolish the former headquarters building
- Anticipate returning to the Board in August with a further-developed scope and cost estimate for a decision on performing demolition in 2025

Consent Agenda

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

- Minutes of the May 13, 2025 and May 14-15, 2025 Special Meetings and the May 16, 2025 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated May 27, 2025:
 - Vouchers totaling \$17,228,346.51;

- Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 13, 2025 through May 26, 2025 in the amount of \$12,262.03.
- Approval of the net Payroll, Warrant Nos. 238768 through 238778 and Advice Nos. 800211 through 801080 for the pay period ending May 23, 2025 in the amount of \$2,893,980.19.
- Approval of Warrant Nos. 33134 through 33205 totaling \$16,880.23 for claim payments from the workers' compensation self-insurance fund for the period ending May 26, 2025.
- Approval of Parks Reservation System customer refunds for the period May 13, 2025 through May 26, 2025 in the amount of \$1,890.00.
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 24-13516 WITH WIRELESS STRUCTURES CONSULTING, INC. DBA WESTERN UTILITY TELECOM, INC. OF SALEM, OREGON AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 11. A RESOLUTION APPROVING A TEMPORARY WATER RIGHT AGREEMENT BETWEEN THE REGIONAL WATER SYSTEM MEMBERS AND CROWN COLUMBIA WATER RESOURCES, LLC
- Resolution 12. A RESOLUTION RATIFYING CHANGE ORDER NOS. 1 THROUGH 3 AND APPROVING CHANGE ORDER NO. 4 FOR CONTRACT NO. 23-12793 WITH CANYON FENCE LLC OF CASHMERE, WASHINGTON FOR UNIT PRICE FENCING SERVICES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To approve the consent agenda as revised to include Resolutions 11 and 12

Approved: Unanimously

Manager Items

- Dan Moser, Director Distribution & Fiber Operations, shared photos of the recent vault transformer replacement in Leavenworth
 - Kirk Hudson, General Manager, commended Dan and John Stoll for figuring out how to improve this vault, which has been an issue for a long time

Commissioner Travel

- Lisa Sanders, Legal Office Administrator, reviewed upcoming event and travel details with the Commissioners

Commission Items

- Public Works Board Request - Commissioners considered the request from Commissioner Bergren to support his application to serve on the Public Works Board; request was declined
- Commissioner Smith reported on and shared pictures of his recent visit to the Snoqualmie Falls hydro project

Follow up on Delegation of Action Items from 5/16/25 Board meeting

- None

Delegation of Action Items

- None

Executive Session was announced, but subsequently cancelled

There being no other business, the meeting was adjourned at 11:55am


Vice President

Commissioner


President

Secretary

Commissioner