

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington June 6, 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 June 6, 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

Guests present: Aurora Flores
Kelly Allen
Carnan Bergren
Malachi Salcido
Alex Dunn, Strategies 360
Spencer Thulin

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- John Yale, Principal Electrical Engineer, led the pledge and provided information on ladder safety

Agenda

- The agenda was approved as presented

Customer Satisfaction Survey Results

(see Chelan PUD website for presentation)

- Alex Dunn, Strategies 360, reviewed customer satisfaction survey methodology, demographics, and results
- Residential utility customers continue to provide high ratings to Chelan PUD
- Satisfaction with the PUD is not limited only to specific groups or parts of the county; positive ratings differ only by degree and apply to every demographic subgroup measured
- High scores for Chelan PUD include the full range of dimensions tested, from reliability to communications and service to the community
- Residents cite the Connected newsletter as a critical information source but also express a desire for more alerts via phone and email, as well as additional online tools

Fire Safety Outage Management Update

(see Chelan PUD website for presentation)

- Rachel Hansen, Senior Communications Strategist, Chad Bowman, Director Transmission and Compliance, and Chad Rissman, Director Distribution Asset Management reviewed 2022 wildfire mitigation plans
- Reviewed risk assessments to determine areas of highest wildfire risk
- Fire mitigation actions reflect lessons learned
- 2022 recommendations include installation of more wildlife guards, invest in a SCADA-operated recloser pilot program, install more fault detection indicators, evaluate undergrounding some high-risk lines, and continue increased budgeting for tree trimming and removal

Capital Project Funding

(see Chelan PUD website for presentation)

- Heather Irelan, Treasurer, reviewed upcoming capital funding opportunities and staff recommendations, which will be presented for Commissioner consideration at the next meeting
 - Begin using the designated Headquarters/Service Center Strategic Facilities Fund
 - Adopt a reimbursement resolution to preserve option to issue tax-exempt (lower cost) bonds in the future

Semi-Annual Transmission Update

(see Chelan PUD website for presentation)

- Robb Davis, Staff Attorney, presented transmission information including updates from the Federal Energy Regulatory Commission (FERC) and Department of Energy (DOE)

Rate Schedule 35 to Rate Schedule 36 Transition

(see Chelan PUD website for resolution)

- Erik Wahlquist, General Counsel, sought feedback on how the Commission would like to proceed in transitioning affected customer-owners from Rate 35 to Rate 36
- Resolution was updated to include ratification of the motion extending the affective date and setting July 1 each year as the contract date
- The resolution reflects the staff recommendation of transition option 2B – a 2-year rate transition
- Resolution 15. 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
MOTION
Moved by: Commissioner Smith
Seconded by: Commissioner Congdon
To accept Resolution 15 as presented
Approved: Unanimously

- Malachi Salcido thanked Commissioners for their continued discussions and Kirk Hudson for his commitment to review the rate prior to the next market adjustment; noted impacts this decision will have on operations

Recess at 12:07pm, 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 May 16, 2022 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated June 1, 2022:
 - Vouchers totaling \$43,951,399.04.

- Approval of Customer Deposit Returns and Conservation Incentive payments for the May 11, 2022 through May 31, 2022 in the amount of \$31,252.38.
- Approval of the net Payroll, Warrant Nos. 237839 through 237849 and Advice Nos. 734818 through 735642 for the pay period ending May 8, 2022 in the amount of \$ 2,418,165.27.
- Approval of the net Payroll, Warrant Nos. 237850 through 237861 and Advice Nos. 735643 through 736461 for the pay period ending May 22, 2022 in the amount of \$ 2,398,791.48.
- Approval of Warrant Nos. 28517 through 28568 totaling \$17,841.50 for claim payments from the workers' compensation self-insurance fund for the period ending May 27, 2022.
- Approval of Parks Reservation System customer refunds for the period May 11, 2022 through May 31, 2022 in the amount of \$2,275.00.

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Arseneault

To approve the consent agenda as presented

Approved: Unanimously

5th Street Redevelopment RFP Process Update

(see Chelan PUD website for presentation)

- Dan Frazier, Director Shared Services, gave an update on the 5th Street redevelopment process:
 - Summary review of four proposals received
 - Explanation of evaluation criteria
 - Process timeline and next steps

Interconnection Agreement Update

(see Chelan PUD website for presentation)

- Robb Davis, Staff Attorney, reviewed customer-specific interconnection agreement modifications
- Modifications would allow a different funding arrangement along with other minor changes
- Final version of the large load interconnection agreement will be presented for consideration at the next meeting

Confluence Parkway Due Diligence

(see Chelan PUD website for presentation)

- Michelle Smith, Director Hydro Licensing and Compliance, provided an update on Confluence Parkway work
- Summarized the May 26 noise consultant site visit
- Provided information regarding potential impacts from deicer and hazardous materials

Resolution 14

(see Chelan PUD website for resolutions)

- David Lodge, Project Management Manager, presented Resolution 14
- Reviewed usage of District and Contractor contingency accounts
- Resolution 14. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 7 THROUGH 12 FOR THE SERVICE CENTER PROJECT WITH ABSHER CONSTRUCTION COMPANY OF PUYALLUP, WA FOR CONSTRUCTION OF THE GENERAL CONTRACTOR/CONSTRUCTION MANAGER (GC/CM) CONTRACT NO. 18-91 FOR THE SERVICE CENTER PROJECT

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Congdon

To accept Resolution 14 as presented

Approved: Unanimously

Manager Items

- Kirk Hudson, General Manager, noted the plan to return to in-person board meetings beginning with the next meeting on June 20
- John Wasniewski, Energy Analyst II, reviewed Lake Chelan lake level management
 - A cool spring has led to late runoff
 - Transition from filling the lake to managing the lake level with potential spill for control of the lake level

Commissioner Travel

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

Commission Items

- Commissioner Arseneault noted that as Washington PUD Association (WPUDA) President, his goal is to visit every PUD in the state with WPUDA to gather feedback

Follow up on Delegation of Action Items from 5/16/22 Board meeting

- Justin Erickson will work with Communications to inform customers about Lake Chelan water levels – completed and reported during today’s update
- Justin Erickson will gather information on how chemicals used in deicer might impact vegetation and wetlands on proposed confluence parkway project – included in today’s Confluence Parkway update
- Kirk Hudson will evaluate Rate Schedule 36 calculation and adjustment methodology prior to next scheduled energy charge adjustment (April 2023)

Delegation of Action Items

- Alex Dunn will review customer service data on satisfaction levels of renters with average bills over \$75. Alex will also provide information on what percentage of customers were reached on a cell phone vs landline.
- Heather Irelan will provide cost information for Rocky Reach and Rock Island facilities
- Rebekah Neumann will work with Commissioner McKenna to schedule the WPUDA visit with Commissioners


Executive Session

President McKenna convened an executive session at approximately 2:45pm 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 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) for approximately 60 minutes.

Regular Session Reconvened at 3:45pm

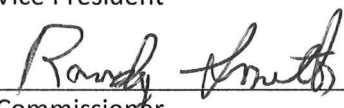
President McKenna stated no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting adjourned at 3:45pm



 President

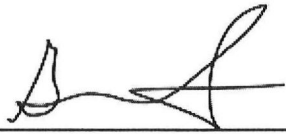
 Vice President



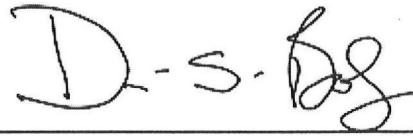
 Commissioner

 Secretary

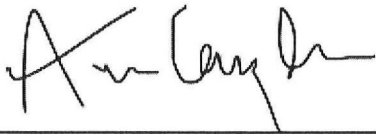
 Commissioner



Garry Arseneault - Board Member
Approved on 6/26/2022 8:23AM PDT



Dennis Bolz - Board Member
Approved on 6/22/2022 5:33PM PDT



Ann Congdon - Board Member
Approved on 6/21/2022 12:00PM PDT