

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Chelan County, Washington
June 26, 2023**

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 26, 2023, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Randy Smith, President
Garry Arseneault
Steve McKenna

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

Guests present: Dorry Foster, Steve Wilkinson, Bart Clennon, Steve Robinson, Kalie Worthen, Rosa Pulido, Stacie de Mestre

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Mitchell Clark, Senior Project Manager, led the pledge and provided information on 4th of July safety

Agenda

- Resolution 12 was moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

- Kirk Hudson, General Manager, recognized May winner Chase Fitzpatrick, Meter Shop Foreman

Proposed Term Sheet for Property Sale to YMCA

- Justin Erickson, Managing Director Shared Services, and David Lodge, Project Management Manager, reviewed proposed terms for sale of property to the YMCA
- Reviewed process, term sheet overview, site map, and staff recommendation
- Dorry Foster, YMCA Director, reiterated commitment to the site and shared a draft timeline with anticipated completion near the end of 2025
- Bart Clennon encouraged coordination with Reimagine Downtown work for streets, sidewalks, etc.
- Staff recommends development of a purchase and sale agreement with the Wenatchee Valley YMCA in terms substantively similar to those in the negotiated term sheet; Commissioners gave a head nod of approval for the staff recommendation

Quarterly Electrical Load Growth Update

- Andy Wendell, Director Customer Service and Stakeholder Outreach, and Chad Rissman, Director Distribution Asset Management, provided a quarterly report on key load metrics
- New residential construction remains steady county wide
- Forecasting 800+ new residential services per year for the next 3 years; consistent with historical numbers
- New electrical vehicle charging station infrastructure emerging in all areas
- Continue vigorous electrical substation build plans
- Water & wastewater planning efforts are being influenced by larger development plans
- Planned utility infrastructure investments are positioned well to meet demands of organic growth in electric and fiber
- Kirk noted that having several substations under construction is a new approach for us

2023 – 2024 Insurance Program Renewal Update

- Ron Gibbs, Insurance and Risk Management Manager, provided an annual insurance renewal update
- Insurance policies renewal date is July 1, 2023; premiums and terms will be negotiated up to renewal date
- Discussed challenging insurance markets and driving factors
- Reviewed program considerations, underwriter meetings, premium summary, and next steps

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To authorize expenditures by the District not to exceed \$5,500,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2023-2024 policies upon terms and conditions approved by the General Manager

Approved: Unanimously

Latecomers Policy

- Sarah DeLozier, Supervisor Customer Service and Dispatch, and Lyle Moore, Customer Service Engineering Supervisor, provided an update on the Latecomers policy
- Sarah shared challenges with the current policy and how it impacts customer-owners and staff
- Reviewed current policy, challenges, industry practices, options considered, and a phased approach with proposed changes to the current policy followed by implementation of a new policy January 1, 2024
- Commissioners expressed support for a phased approach to update the current policy, followed by a new policy in 2024

Consent Agenda

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

- Minutes of the June 5, 2023 Regular Meeting and June 13, 2023 Special Meeting
- Vouchers: Accounts Payable Summary Report dated June 20, 2023:
 - Vouchers totaling \$28,124,410.47;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 30, 2023 through June 19, 2023 in the amount of \$157,706.38.
 - Approval of the net Payroll, Warrant Nos. 238184 through 238196 and Advice Nos. 757464 through 758290 for the pay period ending June 4, 2023 in the amount of \$2,558,493.74.
 - Approval of Warrant Nos. 29660 through 29749 totaling \$22,448.58 for claim payments from the workers' compensation self-insurance fund for the period ending June 19, 2023.
 - Approval of Parks Reservation System customer refunds for the period May 12, 2023 through June 16, 2023 in the amount of \$2,660.00.
- Resolution 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA NO. 19-10311) WITH MEAD & HUNT, INC. TO PROVIDE FERC PART 12 ENGINEERING SERVICES

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To approve the consent agenda as revised to include Resolution 12

Approved: Unanimously

Manager Item

- Mike Bradshaw, Director Energy Structuring and Trading, reported on the recent cap and trade allowance auction results and no-cost allowance allocations

Resolution 11

- David Lodge, Project Management Manager, presented Resolution 11
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 27 THROUGH 29 AND FURTHER APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 30 FOR THE SERVICE CENTER PROJECT WITH ABSHER CONSTRUCTION COMPANY OF PUYALLUP, WA FOR CONSTRUCTION OF THE SERVICE CENTER PROJECT PURSUANT TO GENERAL CONTRACTOR/CONSTRUCTION MANAGER (GC/CM) CONTRACT NO. 18-91

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To approve Resolution 11 as presented

Approved: Unanimously

Capital Budget Revision – PPB Fiber Acceleration Make Ready Work

- Toby Tarzwell, Senior Project Manager, reviewed a capital budget revision request for make ready work associated with the fiber acceleration project in the Lower Blewett Pass area
- Reviewed project schedule and budget
- Proposed motion: To increase the total project budget and 2023 current year budget amount for capital project DS220003, Make Ready Work (MRW) Blewett Pass FDT-162, in the amount of \$902,000 for a revised total project budget amount of \$1,788,000, and to decrease the 2023 budget for DSXX0003, Underground Cable Replacement, by \$902,000 to result in no net change to the overall 2023 Distribution System approved capital budget.

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To approve the proposed motion as presented

Approved: Unanimously

Manager Item

- Brett Bickford, Managing Director Generation and Transmission, noted potential technologies on which the District is seeking further education including battery storage, pumped storage, and geothermal generation

Commissioner Item

- Special Meetings

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To set the following special meetings:

- On Tuesday, August 8, 2023 @ 1:00pm at Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding a Tri-Commission meeting
- On Tuesday, September 19, 2023 @ 5:00pm at Chateau Faire Le Pont, 1 Vineyard Way, Wenatchee, for the purpose of holding a Mid-C General Managers and Commissioners Meeting

Approved: Unanimously

Follow up on Delegation of Action Items from 6/5/23 Board meeting

- None

Follow up on Delegation of Action Items from Previous Board meetings

- Andy Wendell will provide information on planning thresholds for water and wastewater – included in today’s Load Forecast Update

Delegation of Action Items

- Andy Wendell will gather more information on what is driving the Kahler Glen connection application to Lake Wenatchee wastewater treatment system

Commissioner Item

- Commissioners recently attended the American Public Power Association Annual Conference
 - Commissioner Arseneault found it valuable to talk with utilities from across the nation and hear how they are meeting challenges
 - Commissioner McKenna also noted the camaraderie in dealing with challenges
 - Commissioner Smith noted that as Seattle Metro looks to electrify their buses, they are looking to learn from Link Transit; highlights the innovation happening in the Wenatchee Valley
- Commissioner McKenna appreciated the recent meeting with the Port and our ongoing partnership with them

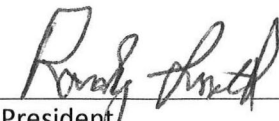
There being no other business, the meeting adjourned at 12:20pm




 Vice President



 Commissioner



 President



 Secretary

 Commissioner