

**Minutes of the Regular Commission Meeting of  
Public Utility District No. 1 of Chelan County, Washington  
July 10, 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 July 10, 2023, at the hour of 10:00 am, pursuant to proper notice thereof.

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

**Staff present:** Kirk Hudson, General Manager  
Katie Yount, Acting General Counsel  
Rebekah Neumann, Clerk of the Board  
Various staff

**Guests present:** Kalie Worthen

**Call to Order**

- President Smith called the meeting to order at 10:02am

**Pledge of Allegiance and Safety/HPI Minute**

- Eddie Amezcua, Safety and Health Coordinator II, led the pledge and provided information on water safety

**Agenda**

- Resolutions 8, 9, and 10 were 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 Melia Mayer, Senior Accounting Analyst

**Fish and Wildlife Update**

- Kelly Cordell, Wildlife Biologist, and Lance Keller, Senior Fisheries Biologist, provided an update on the Osprey nest monitoring program and the Rocky Reach Habitat Conservation Plan (HCP) confirmation survival study
- Osprey nests are increasing in numbers; nest locations can put infrastructure at risk
  - Reviewed management of nest issues
- Reviewed HCP study parameters and next steps
- Kirk Hudson recognized staff for their ownership of our Stewardship value

**Consent Agenda**

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

- Minutes of the June 26, 2023 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated July 05, 2023:

- Vouchers totaling \$34,918,839.37;
- Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 20, 2023 through July 04, 2023 in the amount of \$70,218.56.
- Approval of the net Payroll, Warrant Nos. 238197 through 238207 and Advice Nos. 758291 through 759112 for the pay period ending June 18, 2023 in the amount of \$2,693,806.16.
- Approval of Warrant Nos. 29750 through 29817 totaling \$11,218.97 for claim payments from the workers' compensation self-insurance fund for the period ending July 03, 2023.
- Approval of Parks Reservation System customer refunds for the period June 17, 2023 through July 04, 2023 in the amount of \$455.00.
- Resolution 8. A RESOLUTION AUTHORIZING AN AMENDMENT TO SERVICES AGREEMENT (SA NO. 21-11980) WITH APFS, LLC TO PROVIDE TECHNICAL PROJECT MANAGEMENT RESOURCES
- Resolution 9. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 22-12670) WITH HORROCKS ENGINEERS, INC. OF SPOKANE, WASHINGTON FOR CONSULTING SERVICES NEEDED IN THE PREPARATION OF FRANCHISE CONSOLIDATION APPLICATIONS TO RENEW DISTRICT FRANCHISES WITH THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
- Resolution 10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 23-13046) WITH HDR ENGINEERING, INC. OF BELLEVUE, WASHINGTON FOR ENGINEERING CONSULTING SERVICES

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner McKenna

To approve the consent agenda as revised to include Resolutions 8, 9, and 10

Approved: Unanimously

**Resolution 11**

- George Velazquez, Engineering and Project Management Manager, presented Resolution 11
- Resolution 11. A RESOLUTION DECLARING WHITNEY EQUIPMENT COMPANY, INC. OF BOTHELL, WASHINGTON AS THE SOLE SOURCE SUPPLIER OF FLYGT PUMPS FOR ROCKY REACH DAM (CONTRACT NO. 23-13061)

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Allen

To approve Resolution 11 as presented

Approved: Unanimously

**Manager Item**

- Ron Slabaugh, Water/Wastewater Manager, provided a Regional Water System update
  - Regional Water System continues to work towards a second source water supply
  - An initial report on a surface water treatment plant indicated a cost of \$85-100M based on capacity to meet 20-year demands
  - The City of Wenatchee has committed to validate the 2018 water demand forecast to confirm whether the timeframe remains 2035-2036 for anticipated capacity increases
- Ron Gibbs, Insurance and Risk Management Manager, provided an insurance renewal update
  - Overall, saw a 17.7% increase in premiums
  - Staff was able to negotiate an increase in earthquake coverage by capping deductible for ~60% of the program
- Shawn Smith, Managing Director Energy Resources, and Janet Jaspers, Director Energy Operations, Planning and Trading, gave an update on results from the recent 5% output slice auction
  - Janet thanked staff involved in this process

- Reviewed terms of the slice contract including environmental attributes
- Puget Sound Energy was awarded the slice auction, based on highest bid
- Kirk appreciates the work of the team; there is a lot of work that goes into these contracts
- Tracy Yount, Director of External Affairs, introduced Libby Siebens, Communications Manager
- Sarah DeLozier, Supervisor Customer Service and Dispatch, and Lyle Moore, Customer Service Engineering Supervisor, reviewed highlights of the Latecomers policy recommendations and sought feedback
  - Summarized options presented at the last meeting for changes to the Latecomers policy
  - Commissioners provided feedback
  - Compared recommended policy changes to the current policy and industry standards
  - Next step will be a resolution to change the policy

**Commissioner Travel**

- Lisa Sanders, Legal Office Administrator, reviewed upcoming Commissioner travel

**Commissioner Item**

- Commissioner Allen shared her recent visit with the Rocky Reach dive team; the team expressed gratitude for all the Commission does to ensure a safe work environment
  - Their work is important to the maintenance and operations of our system
- Commissioner Allen also appreciated attending the NWPPA boot camp in June
- Commissioner McKenna was just in Stehekin on personal travel; toured the generation plant with his family
  - Saw changes with fire camp and construction in the valley; the pace of growth is concerning
  - Looking forward to September visit to Stehekin with Commissioner Allen

**Follow up on Delegation of Action Items from 6/26/23 Board meeting**

- Andy Wendell will gather more information on what is driving the Kahler Glen connection application to Lake Wenatchee wastewater treatment system – email sent 7/5/23


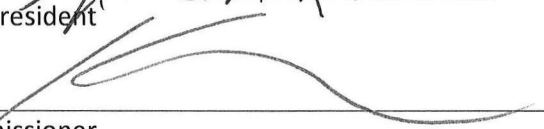
**Follow up on Delegation of Action Items from Previous Board meetings**

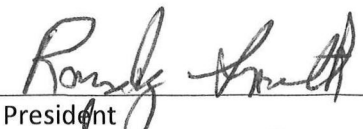
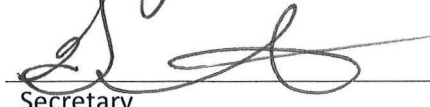
- Kirk Hudson will look for a resource to provide training to Commissioners on governance best practices and public meeting management – completed at the 4/28/23 Board workshop

**Delegation of Action Items**

- None

There being no other business, the meeting adjourned at 11:59am.

  
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 Vice President  
  
  
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 Commissioner

  
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 President  
  
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 Secretary  
  
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