

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Chelan County, Washington
July 24, 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 24, 2023, at the hour of 10:00 am, pursuant to proper notice thereof.

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

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

Guests present: Emily Thornton

Call to Order

- President Smith called the meeting to order at 10:01am

Pledge of Allegiance and Safety/HPI Minute

- Kassie Bertilson, HPI and Strategy Program Manager, led the pledge and provided information on after-action reviews

Agenda

- Resolution 11 was moved to the consent agenda; the agenda was approved as revised

Quarterly Board Balanced Scorecard Update

- Rebekah Neumann, Clerk of the Board, reviewed report metric exceptions
- President Smith noted that the Balanced Scorecard metrics would be reviewed at the next Board workshop

Rate 35 and Rate 36 Update

- Erik Wahlquist, General Counsel, and Lindsey Mohns, Customer Utilities Business Manager, gave an update on continued rate work for high density loads and cryptocurrency
- Reviewed proposal for rate modifications, risk mitigations, and outreach plan

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To further defer the 2023 annual adjustment of the Rate Schedule 36 market energy charge to October 3, 2023, to allow time to complete the consideration and potential modification of Rate Schedule 36

Approved: Unanimously

Consent Agenda

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

- Minutes of the July 10, 2023 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated July 18, 2023:
 - Vouchers totaling \$14,428,097.25;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 05, 2023 through July 17, 2023 in the amount of \$25,213.83.
 - Approval of the net Payroll, Warrant Nos. 238208 through 238219 and Advice Nos. 759113 through 759943 for the pay period ending July 02, 2023 in the amount of \$2,574,440.78.
 - Approval of Warrant Nos. 29818 through 29861 totaling \$28,936.91 for claim payments from the workers' compensation self-insurance fund for the period ending July 17, 2023.
 - Approval of Parks Reservation System customer refunds for the period July 05, 2023 through July 17, 2023 in the amount of \$3,570.00.
- Resolution 11. A RESOLUTION APPROVING THE PURCHASE OF SEVEN METAL ENCLOSED CAPACITORS VIA MASTER PURCHASING AGREEMENT 23-12773

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve the consent agenda as modified to include Resolution 11

Approved: Unanimously

Resolution 8

- Larry Cordes, Civil Engineer Senior II, presented Resolution 8
- Resolution 8. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA NO. 19-086) WITH MEAD & HUNT, INC. TO PROVIDE LAKE CHELAN DAM POWER TUNNEL ISOLATION SYSTEM ENGINEERING SERVICES

Resolutions 9 and 10

- Toby Tarzwell, Project Manager Senior, presented Resolutions 9 and 10
- Resolution 9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 7, 8, AND 9, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 10 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 5, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO CONTRACT NO. 21-17A WITH BATCHELOR EXCAVATION LLC FOR UNIT PRICE TRENCHING (NORTH)
 - Commissioner Allen recused herself from discussion due to personal conflict

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To approve Resolution 10 as presented

Approved: 3 in favor, Commissioner Allen recused

Resolution 12

- Sarah DeLozier, Customer Service and Dispatch Supervisor, and Lyle Moore, Customer Service Engineering Supervisor, presented Resolution 12
- Resolution 12. A RESOLUTION AMENDING AND RESTATING THE ELECTRIC LINE EXTENSION POLICY, AND THE WATER AND WASTEWATER LINE EXTENSION POLICY PORTIONS OF THE DISTRICT'S UTILITY SERVICE POLICIES

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve Resolutions 8, 9, and 12 as presented

Approved: Unanimously

Manager Item

- Bob Shane, Managing Director of Fiber and Telecom, gave an update on the fiber swap agreement with Douglas County PUD
 - Twenty-year contract allowing sharing fiber with Douglas PUD to improve service to customers of both utilities
 - Provides operational efficiency and redundancy at a cost-savings and improves resiliency
- Sam Dilly, Project Manager Principal, gave an update on Tumwater Dam maintenance
 - Bids for maintenance work were received, with the lowest responsive bidder at \$4.56M
 - The project team reviewed the bid; no opportunities to reduce the scope and cost were identified
 - Staff are in the process of completing a long-term plan for Tumwater dam
 - Construction window is September 15, 2023 through March 15, 2024

Commissioner Item

- Commissioners discussed their feedback to the Washington PUD Association (WPUDA) Executive Director search committee
- Commissioners Arseneault and McKenna recognized Bob Shane and Jennifer Pickel, Business Manager, for their presentation on the District's fiber program at the recent WPUDA meeting
- Commissioner Arseneault attended American Public Power Association (APPA) Summer Fly-In in Washington DC; had successful meetings with eight legislators
- Commissioner Allen attended the YMCA's capital project reveal and noted Goodfellow Brothers will match donations up to \$500k through the end of the month
- Commissioner Allen attended the Pacific Northwest Economic Region (PNWER) Summit last week, which included many panel discussions between Canada and US on economics
- Commissioner McKenna appreciated staff managing last weekend's outage in downtown Leavenworth; noted challenging conditions in the vault
- Commissioners McKenna and Smith noted that the WPUDA tour of the Kitsap wastewater treatment facility was impressive

Follow up on Delegation of Action Items from 7/10/23 Board meeting

- None

Delegation of Action Items

- Erik Wahlquist will provide the current Rate 36 demand exceedance charge

Executive Session

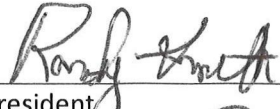
President Smith convened an executive session at approximately 11:45am to discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), 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 90 minutes.

Recess @ 12:15pm, Reconvene @ 1:00pm


Regular Session Reconvened at 2:03pm

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

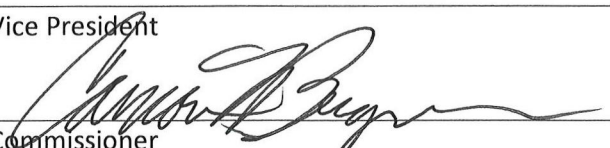
There being no other business, the meeting adjourned at 2:03pm.




President



Secretary

Vice President


Commissioner



Commissioner