

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington August 4, 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 August 4, 2025, at the hour of 10:00 am, pursuant to proper notice.

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

Staff present: Kirk Hudson, General Manager
Ryan Smolinsky, Acting General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Others present: Andrew Simpson

Call to Order

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

Pledge of Allegiance and Safety/H&OP Minute

- Natá Pulver, Safety Training Coordinator, led the pledge and provided information on the apprenticeship program

Agenda

- The agenda was approved as presented

Quarterly Financial Review and Investment Report

- Mark Mullins, Director Financial Enterprise Planning, Risk & Analytics, and Dave Nelson, Manager Strategic Financial Planning, covered second quarter results
- Bottom-line results through Q2 are in line with budget
 - Lower operating costs more than offset lower revenues due to low streamflow conditions
- Forecasted bottom-line results for the year are in line with budget
 - Revenues are expected to be below budget for the year
 - Operating expenses forecasted below budget and includes significant project work for 2025
 - Schedule delays and inflation are driving long-term project costs higher
- Financial metrics for the 5-year forecast are meeting targets
 - District financial metrics are being met for the 5-year planning horizon
 - Low debt leverage and high debt service coverage provides financial flexibility

Quarterly Energy Resources Update

- Jeff Johnson, Director Energy Operations Planning & Trading, reviewed second quarter key highlights

- 2025 revenues slightly below budget, water supply below average
 - New market-based revenue and other energy-related revenue ~\$3M below budget
 - 2025 Columbia River water supply 78% of normal for January – July
- Climate Commitment Act (CCA)
 - Q2 Washington allowance auction price \$58.51/MTC02e
 - Q3 Washington auction date is September 3, 2025
- Day-Ahead Market Initiatives
 - Southwest Power Pool (SPP) Markets+
 - Bonneville Power Administration decision is to join SPP Markets+

Consent Agenda

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

- Minutes of the July 21, 2025 Regular Meeting, July 22, 2025 Special Meeting and July 30, 2025 Special Meeting
- Vouchers: Accounts Payable Summary Report dated July 29, 2025:
 - Vouchers totaling \$44,758,979.55;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 15, 2025 through July 28, 2025 in the amount of \$77,571.35.
 - Approval of the net Payroll, Warrant Nos. 238806 through 238813 and Advice Nos. 803702 through 804578 for the pay period ending July 13, 2025 in the amount of \$3,109,914.66.
 - Approval of Warrant Nos. 33420 through 33481 totaling \$11,488.46 for claim payments from the workers' compensation self-insurance fund for the period ending July 28, 2025.
 - Approval of Parks Reservation System customer refunds for the period July 15, 2025 through July 28, 2025 in the amount of \$7,525.00.

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve the consent agenda as presented

Approved: Unanimously

Resolution 8

- Diane Syria, Director Accounting/Controller, presented Resolution 8
- Resolution 8. RESOLUTION NO. 25-15014 AUTHORIZING AMENDMENT NO. 6 TO SERVICES AGREEMENT (SA NO. 13-162) WITH PRICEWATERHOUSECOOPERS LLP TO PROVIDE AUDIT SERVICES FOR AN ADDITIONAL THREE YEARS

Resolution 9

- Rich Hyatt, Director Security Division, presented Resolution 9
- Resolution 9. RESOLUTION NO. 25-15015 AUTHORIZING AMENDMENT NO. 14 TO SERVICES AGREEMENT (SA NO. 17-100) WITH UNIVERSAL PROTECTION SERVICE LP DBA ALLIED UNIVERSAL SECURITY SERVICES TO PROVIDE DISTRICT SECURITY SERVICES

Resolution 10

- Colton Polczynski, Civil Engineer III, presented Resolution 10
- Resolution 10. RESOLUTION NO. 25-15016 APPROVING BID ADVERTISEMENT, AWARD, AND CONTRACT EXECUTION FOR 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS, AND ADOPTING THE PROJECT CAPITAL BUDGET FOR THE INITIAL PURCHAS

Resolution 11

- Justin Erickson, Chief Strategy and Stakeholder Officer, presented Resolution 11

- Resolution 11. RESOLUTION NO. 25-15017 AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A MASTER INTERLOCAL AGREEMENT (SA 25-14477) WITH CHELAN COUNTY

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve Resolutions 8, 9, 10, and 11 as presented

Approved: Unanimously

Manager Items

- Kirk Hudson, General Manager, noted the quarterly project and contract summary reports were included in the meeting packet

Commissioner Travel

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

Follow up on Delegation of Action Items from 7/21/25 Board meeting

- Justin Erickson will investigate whether there is an American flag on display at Chelan Falls Powerhouse Park

Follow up on Delegation of Action Items from Previous Board meetings

- Janet Jaspers will provide an update on the current status of organized markets – included in today's report

Delegation of Action Items

- Dan Koch will look for an opportunity for Commissioners to meet apprenticeship program graduates

Executive Session

President McKenna convened an executive session at approximately 11:15am 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 review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 90 minutes.

Regular Session Reconvened at 12:18pm

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

There being no other business, the meeting was adjourned at 12:18pm

Signed by:

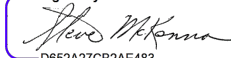


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Vice President

Commissioner

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President

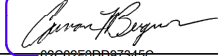
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Secretary

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Commissioner