

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington August 16, 2021

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 August 16, 2021, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Randy Smith, President (by phone)
Garry Arseneault (by phone)
Dennis Bolz (by phone)
Ann Congdon (by phone)

Staff present: Shawn Smith, Acting General Manager
Erik Wahlquist, General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Neil Neroutsos, Communications Manager, led the pledge and provided information on long-term care insurance and available resources

Agenda

- The agenda was approved as presented

CPO (Cycle of Personal Ownership) Winner Recognition

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized Evan Smith and Anthony Ibarra, Seasonal Park Maintenance employees, for their life-saving actions

Quarterly Financial Review and Investment Report

(see Chelan PUD website for presentation)

- Mark Mullins, Director of Enterprise Planning and Risk, and Dave Nelson, Manager Strategic Financial Planning, reviewed second quarter results
- Year-end 2021 forecasts are better than budget
 - Q2 year to date results are better than budget by \$21M
 - Year-end forecasts anticipate higher revenues and some catch-up in operating expenses which will bring bottom line results down slightly but still better than budget by \$19M
- Long-term financial metrics remain strong
 - Includes assumed borrowing in the next five-year planning horizon to fund a portion of capital spending program while maintaining financial metrics
- Stay the course with 2020-2024 strategic goals

- Stay the long-term course while continuing to adapt to COVID19 impacts which have been manageable to date

Quarterly Energy Resources Update

(see Chelan PUD website for presentation)

- Shawn Smith, Managing Director of Energy Resources, and Janet Jaspers, Director of Energy Planning and Trading, provided a second quarter update
- The District's 2021 net wholesale revenue is forecast to be \$64.4 million which is \$2.9M less than budget for the year
- Other energy-related revenues are forecast to be \$21.4 million which is \$11.3 million higher than budget
- Together, the forecasted revenues are \$85.9 million and \$8.4 million above budget for 2021

Resource Adequacy Final Design Update

(see Chelan PUD website for presentation)

- Robb Davis, Staff Attorney, provided an update on resource adequacy
- Highlighted the importance of the program
- Reviewed program elements, timeline, transition from design to implementation, governance structure, and next steps

Interconnection Agreement Template Update

(see Chelan PUD website for presentation)

- Robb Davis, Staff Attorney, provided an update on the interconnection agreement template
- Reviewed interconnection background, District transmission initiatives, interconnection process, template agreement details and next steps

Manager Items

- Justin Erickson, Managing Director of District Services, provided an update on the Rocky Reach Discovery Center landscaping Public Power Benefit (PPB) project
 - Challenges in moving forward within budget and accomplishing our goals, including challenges with labor and material costs
 - The original project was estimated at \$400k; current cost estimates have been \$600-900k
 - Will continue to monitor construction market and explore some additional cuts to scope and cost
 - Plan to include an update in the regular PPB report in late fall or early 2022
- Steve Wickel, Transmission Engineering Manager, reported on an upcoming outage related to the Chelan Manson Transmission line project
 - Expect to begin erecting poles starting August 30
 - The Greater Wenatchee Irrigation District will need an 8-12 hour outage; staff is coordinating with their general manager
 - The District will provide flyers for customer notifications and will announce on KOZI

Commission Items

Fall Board Workshop

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bolz

To set a special meeting on Thursday, September 30, 2021 @ 9:00am to be held virtually for the purpose of holding a Fall Board Workshop. Virtual meeting information will be posted on the PUD website.

Approved: Unanimously

Consent Agenda

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

- Minutes of the August 2, 2021 Regular Meeting, and the August 3, 2021, August 4, 2021, and August 9, 2021 Special Meetings
- Vouchers: Accounts Payable Summary Report dated August 11, 2021:
 - Vouchers totaling \$18,851,984.40;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 28, 2021 through August 10, 2021 in the amount of \$35,437.97.
 - Approval of the net Payroll, Warrant Nos. 237558 through 237571 and Advice Nos. 719095 through 719901 for the pay period ending August 01, 2021 in the amount of \$2,246,110.89.
 - Approval of Warrant Nos. 27755 through 27797 totaling \$35,948.13 for claim payments from the workers' compensation self-insurance fund for the period ending August 9, 2021.
 - Approval of Parks Reservation System customer refunds for the period July 24, 2021 through August 4, 2021 in the amount of \$4,926.78.

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Bolz

To accept the consent agenda as presented

Approved: Unanimously

Follow up on Delegation of Action Items from 8/2/21 Board meeting

- Justin Erickson will send Commissioners the link to the Riverfront Park survey – sent 8/2/21
- Andrew Grassell will follow up with Alan Walker on further partnership opportunities with the Chelan Douglas Community Action Council – completed 8/5/21

Follow up on Delegation of Action Items from Previous meetings

- Justin Erickson will provide budgetary details for the \$400K of additional PPB funds for Discovery Center egress/access improvements – covered under today's manager item

Commissioner Congdon left at this time

Recess at 11:52am, Reconvene at 1:01pm

Resolution 10

(see Chelan PUD website for resolutions)

- Sam Dilly, Principal Project Manager, presented Resolution 10
- Resolution 10. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR COLUMBIA RIVER PARKS SHORELINE EROSION CONTROL 2021 (BID NO. 21-13) AND AUTHORIZING THE PROJECT BE OBTAINED BY NEGOTIATION

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Arseneault

To approve Resolution 10 as presented

Approved: Unanimously

Manager Items

- Neil Neroutsos, Communications Manager, and Debbie Gallaher, Visitor Services Manager, provided an update on the Rocky Reach Discovery Center grand opening
 - Due to current COVID infection rates, the grand opening event on Saturday, August 28 will be scaled back
 - Will limit museum capacity and require visitor registration for opening day; outside entertainment is postponed
 - Communications will issue a press release with the revised grand opening schedule and update radio and print ads
 - The ribbon-cutting ceremony will still take place outside on August 25

Delegation of Action Items

None

Commissioner Congdon returned at this time

Executive Session

President Smith convened an executive session at approximately 1:16pm 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 information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities pursuant to RCW 42.30.110(1)(a)(ii) for approximately 90 minutes.

Regular Session Reconvened at 2:16pm

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

There being no other business, the meeting adjourned at 2:16pm.

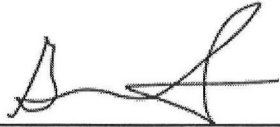
President

Vice President

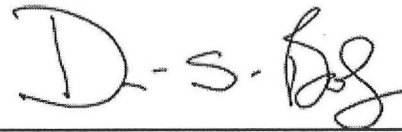
Secretary

Commissioner

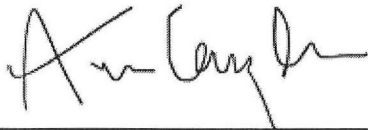
Commissioner



Garry Arseneault - Board Member
Approved on 10/25/2021 9:41AM
PDT




Dennis Bolz - Board Member
Approved on 10/20/2021 12:54PM
PDT



Ann Congdon - Board Member
Approved on 10/19/2021 8:01AM
PDT



Steve McKenna - Board Member
Approved on 10/26/2021 6:05PM
PDT



Randy Smith - Board Member
Approved on 10/18/2021 4:39PM
PDT