

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Chelan County, Washington
September 18, 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 September 18, 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
Erik Wahlquist, General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Guests present: Steve Wilkinson, Steve Robinson, Dorry Foster, Emily Thornton, Doug Pauly

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Chuck Boss, Principal Construction Manager, led the pledge and provided information on energy isolation and lock out tag out protections on the U5 project

Headquarters Building History

- President Smith shared comments on the history of the PUD Headquarters building at 327 N Wenatchee Avenue; thanks to Wayne Wright for his assistance in gathering this information

Agenda

- The agenda was approved as presented

PURPA Public Hearing

- Hearing started @ 10:16am
- Andrew Grassell, Energy Development / Conservation Manager, and James White, Senior Energy Conservation Engineer, reviewed staff recommendation and public comment received
- Staff recommends not adopting the Electric Vehicle and Demand Response standards
- Not adopting the standards does not hinder the Board's ability to implement any or all the actions identified in the 2021 IJA
- Not adopting the standards provides the Board with flexibility to make decisions based on information and timelines that make sense for the District's customer-owners
- Hearing ended @ 10:32am

Review Revised Term Sheet for Property Sale to YMCA

- Dan Frazier, Director Shared Services, reviewed revised terms for the 5th Street property sale to YMCA
- Term Sheet Summary
 - YMCA purchases approximately 144,000 square feet of the eastern portion of the campus (Tech Shop to Fifth Street) for the construction of a new YMCA facility
 - YMCA assumes costs for all demolition and site preparation
 - Proposed sale price is approximately \$1.2M, an increase of \$800k from the original proposal
- Dorry Foster, YMCA CEO, noted their campaign goal is \$25.4M with a goal is to double the Y's impact numbers with this project
- Commissioners gave a head nod of approval for the revised term sheet

Public Power Benefit – Project Selection

- Felicity Saberhagen, Business Manager, presented proposed projects and program funding options for 2024
- Five projects presented for consideration: Fiber – final year of 11-year plan, Fiber – bridge funding for design, Stehekin reliability phase 1, Manson – Old Swim Hole connection to Manson Bay Park, and 5th Street campus redevelopment
- Next steps include Board direction for 2024 funding and proposed projects, consider timing of returning for Board action, and re-evaluate Public Power Benefits Program during strategic planning in 2024
- Commissioners support a one-time allocation of \$4M for 5th street campus redevelopment and expressed interest in updating the program based on what has been learned thus far

Consent Agenda

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

- Minutes of the September 5, 2023 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated September 12, 2023:
 - Vouchers totaling \$13,055,282.70;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 29, 2023 through September 11, 2023 in the amount of \$42,103.66.
 - Approval of the net Payroll, Warrant Nos. 238255 through 238266 and Advice Nos. 762469 through 763305 for the pay period ending August 27, 2023 in the amount of \$2,555,937.06.
 - Approval of Warrant Nos. 30067 through 30111 totaling \$7,425.34 for claim payments from the workers' compensation self-insurance fund for the period ending September 11, 2023.
 - Approval of Parks Reservation System customer refunds for the period August 29, 2023 through September 11, 2023 in the amount of \$1,400.00.
- Resolution 9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1, 2, 3, AND 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-SW09 FOR LAKE CHELAN HVAC UPGRADE WITH HOLADAY-PARKS-FABRICATORS, INC. DBA HOLADAY-PARKS, INC. OF TUKWILA, WA AND AUTHORIZING PAYMENT OF RETAINAGE

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Allen

To approve the consent agenda as presented

Approved: Unanimously

Resolution 10

- Larry Cordes, Civil Engineer Senior II, presented Resolution 10
- Resolution 10. A RESOLUTION AUTHORIZING BUDGET FOR THE PLAIN TRANSFORMER REPLACEMENT PROJECT; RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 4 THROUGH 7; APPROVING FIELD WORK ORDER NO. 8; AUTHORIZING FINAL ACCEPTANCE OF THE SUPPLY OF THE NORTH SHORE SUBSTATION

TRANSFORMER; AND AUTHORIZING RELEASE OF RETAINAGE FOR CONTRACT NO. 18-67 WITH WEG TRANSFORMERS, USA LLC OF WASHINGTON, MO FOR 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS

Resolutions 11 and 12

- John Sagerser, Engineering and Project Management Manager, presented Resolutions 11 and 12
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 2-GMP3, AND AUTHORIZING THE ISSUANCE OF A GMP AMENDMENT NO. 6 TO NORTHBANK CIVIL AND MARINE, INC. OF VANCOUVER, WA TO PROVIDE A GMP AND SCHEDULE FOR THE UPGRADE OF THE FOURTH UNIT (U3) AND HPU MODIFICATIONS ON UNITS U1 AND U2 UNDER CONTRACT NO. 20-14 FOR THE ROCK ISLAND POWERHOUSE NO. 2 DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE
- Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-DBA, 1-PC, 2-PC, 3-PC, 1-GMP1, 2-GMP1, AND 1-GMP2 AND FURTHER AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER THE PRE-CONSTRUCTION SERVICES PHASE AND GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 1, AND FURTHER AUTHORIZING THE ISSUANCE OF GMP AMENDMENT NO. 3 TO OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OREGON FOR GENERATOR LEAD REPLACEMENT OF UNITS U-3 AND U-5 FOR THE ROCK ISLAND POWERHOUSE NO. 2 - GENERATOR LEAD REPLACEMENT PROJECT (CONTRACT NO. 20-18)

Resolution 13

- Sam Dilly, Principal Project Manager, presented Resolution 13
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA-TA NO. 22-12268) WITH MCMILLEN, INC. TO PROVIDE ROCK ISLAND SPILLWAY MODERNIZATION PROGRAM MANAGEMENT SERVICES

Resolution 14

- Mark Peaslee, Project Manager, presented Resolution 14
- Resolution 14. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR ROCKWELL AUTOMATION / ALLEN BRADLEY CONTROL EQUIPMENT (BID NO. 23-12931) AND AUTHORIZING THE SUPPLY OF ROCKWELL AUTOMATION / ALLEN BRADLEY CONTROL EQUIPMENT BE OBTAINED BY NEGOTIATION

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner McKenna

To approve Resolutions 10, 11, 12, 13 and 14 as presented

Approved: Unanimously

Manager Items

- Kirk Hudson, General Manager, noted that the customer lobby is closed this week as the group moves to the Service Center; will reopen to customer-owners at the Service Center in Olds Station on Monday, Sept. 25

Recess @ 11:53am, Reconvene @ 1:02pm

Commissioner Items

- Commissioner Arseneault reported on last week's Washington PUD Association (WPUDA) meetings. The Executive Committee selected Liz Anderson to be the next Executive Director. She will be working with George Caan through the remainder of this year; George has offered to stay on through the legislative session and after the first of the year, he will work part time to assist Liz. WPUDA's interim legislative priorities will be provided to Kirk for staff awareness.

- Commissioner Allen along with Commissioner McKenna and staff recently visited Stehekin where they held a community meet and greet and met Bob Neilsen, Stehekin Operations Attendant. They saw the power station and infrastructure. Commissioner McKenna felt it was the best organized and best attended, thank you to the staff. The biggest takeaway is there are challenges facing the community as demographics change.

Follow up on Delegation of Action Items from 9/5/23 Board meeting

- None

Delegation of Action Items

- Felicity Saberhagen will provide a list of PPB projects funded by other methods

Executive Session

President Smith convened an executive session at approximately 1:10pm 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 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 2.5 hours.

Regular Session Reconvened at 3:40pm

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


There being no other business, the meeting adjourned at 3:40pm.




 Vice President




 Commissioner



 President



 Secretary



 Commissioner