

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington October 18, 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 October 18, 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)
Steve McKenna (by phone)

Staff present: Kirk Hudson, 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 10:03am

Pledge of Allegiance and Safety/HPI Minute

- Devin Howe, Manager Technology Development and Innovation, led the pledge and expressed appreciation for the District's commitment to safety; the focus on safety helps employees in and out of the office

Agenda

- Resolutions 12, 13, 14, and 15 were moved to the consent agenda; the agenda was approved as revised

Quarterly Board Balanced Scorecard Status Update

(see Chelan PUD website for presentation)

- Commissioners reviewed exceptions to Balanced Scorecard metrics

2022 Budget Targets and Major Assumptions

(see Chelan PUD website for presentation)

- Mark Mullins, Director of Enterprise Risk Analytics, reviewed the purpose, timeline, guidelines and assumptions, and next steps for the 2022 budget
- This is the transition from five-year business planning to focusing on the 2022 annual budget process
- The budget supports the four goals of the strategic plan through 8 objectives

Treasury Topics

(see Chelan PUD website for presentation)

- Heather Irelan, Lead Treasury Analyst, gave an update on cash investment and debt portfolios including the board-designated fund, investment and banking resolution review process, 2022 operational plan of finance, and upcoming board requests

Integrated Resource Plan Load and Resource Forecasting

(see Chelan PUD website for presentation)

- Becky Keating, Senior Analyst, reviewed the District's 2021 Integrated Resource Plan including preliminary load forecast and preliminary scenario results
- The timing of this report is changing to align with the Clean Energy Transformation Act (CETA) reporting timelines
- The IRP website can be found at:
 - <http://www.chelanpud.org/environment/operating-responsibly/integrated-resource-plan>

Clean Energy Implementation Plan (CEIP) Introduction

(see Chelan PUD website for presentation)

- Tuuli Hakala, Energy Policy Advisor, reviewed the CEIP background and content and next steps for adoption of the District's first CEIP plan
- The first plan is due by January 1, 2022 and must be informed by the Integrated Resource Plan and the CETA Clean Energy Action Plan

Introduction to Updated Transmission Practices and Policies

(see Chelan PUD website for presentation)

- Robb Davis, Staff Attorney, gave an update on District initiatives, FERC tariff background, and transmission tariff and related policies
- Next steps are to finalize the transmission policies and procedures and provide Commissioners a more detailed briefing in November with final approval anticipated in December

Consent Agenda

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

- Minutes of the October 4, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated October 13, 2021:
 - Vouchers totaling \$13,121,468.13;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 29, 2021 through October 12, 2021 in the amount of \$22,713.14.
 - Approval of the net Payroll, Warrant Nos. 237613 through 237625 and Advice Nos. 722319 through 723116 for the pay period ending September 26, 2021 in the amount of \$2,263,535.23.
 - Approval of Warrant Nos. 27976 through 28003 totaling \$5,791.36 for claim payments from the workers' compensation self-insurance fund for the period ending October 11, 2021.
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDERS NOS. 1, 2, 3 AND 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 20-01 WITH WHECO CORPORATION OF RICHLAND, WA AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 3 THROUGH 7 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 8 TO CONTRACT 18-26 WITH STELLA-JONES CORPORATION FOR THE PURCHASE OF DISTRIBUTION AND TRANSMISSION POLES
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 19-10413) WITH ELECTRICAL CONSULTANTS, INC. TO PROVIDE TRANSMISSION AND DISTRIBUTION ENGINEERING SUPPORT
- Resolution 14. A RESOLUTION FOR APPROVAL OF FIELD WORK ORDER/CHANGE ORDER NO. 1 TO CONTRACT 20-39B WITH KEMP WEST, INC. FOR THE DISTRICT TREE PRUNING 2021-2023
- Resolution 15. A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH MICHAEL A. AND MARTHA H. BUCKINGHAM, AND RICHARD BUCKINGHAM FOR THE SALE OF REAL PROPERTY IN SETTLEMENT OF A PROPERTY DISPUTE AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bolz

To approve the consent agenda as revised to include Resolutions 12, 13, 14, and 15

Approved: Unanimously

Manager Items

- Justin Erickson, Managing Director of District Services, provided an update on Riverfront Park outreach
 - Sept. 28 open house had about 100 attendees; an online survey received about 700 responses
 - The play concept was most popular, followed by naturalistic
 - Feedback also included support for more dog play areas and dividing the trail for faster and slower users
 - Next steps include working with the consultant team, City of Wenatchee, and advisory committee to prepare a final preferred concept, phasing plan, and cost estimates
- Ian Fitzgerald, Chief Technology Officer, reviewed two billing system events last week
 - When the late payment system was re-enabled on Oct. 1, 1200+ customers received an incorrect late fee
 - A functional issue with the process resulted in 124 of those customers receiving a bill with the incorrect amount due; corrected bills have been sent to all affected customers
 - Customer relations staff is reaching out to customers to confirm the correct amount for payment
 - System and IT staff are completing a root cause analysis for process improvement
- Chad Rissman, Director of Distribution Asset Management, updated Commissioners on a supply chain issue
 - Staff have worked hard to address supply chain issues over the last year, but are particularly concerned about distribution transformers
 - We are at a critical level of transformers and want to hold remaining transformers for emergency use
 - Staff are looking at alternative options for transformers and have identified other suppliers that have a few units available
 - The District may need to declare an emergency to be able to order additional transformers

Commissioner Items

- Washington PUD Association (WPUDA) Scholarship Nominee – Samuel Hilderbrand, son of Kelsey and Brooke Hilderbrand, was selected as the District’s nominee for the scholarship

- Tri-Commission Meeting

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Arseneault

To set a special meeting on Tuesday, November 30, 2021 @ 1:00pm to be held virtually for the purpose of holding a Tri-Commission meeting. Virtual meeting information will be posted on the PUD website.

Approved: Unanimously

- Commissioner Congdon recently visited the Entiat Museum and encouraged Commissioners to stop by

Follow up on Delegation of Action Items from 10/4/21 Board meeting

- Steve Wright will provide the liquidity forecast for 2017-2021 for comparison to the current forecast – shared via email from Kelly Boyd on 10/6/21
- Bob Shane will provide the current cost per premise per mile of fiber extension for both urban and outlying customers

Delegation of Action Items

- None

There being no other business, the meeting adjourned at 12:11pm.

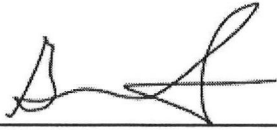
President

Vice President

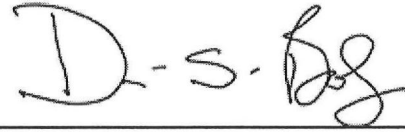
Secretary

Commissioner

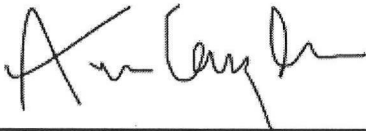
Commissioner



Garry Arseneault - Board Member
Approved on 11/8/2021 6:42AM PST



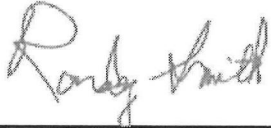
Dennis Bolz - Board Member
Approved on 11/3/2021 4:31PM PDT



Ann Congdon - Board Member
Approved on 11/7/2021 2:56PM PST



Steve McKenna - Board Member
Approved on 11/5/2021 8:35AM PDT



Randy Smith - Board Member
Approved on 11/3/2021 6:49AM PDT