

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington November 1, 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 November 1, 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: Steve Wright, 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 10:02am

Pledge of Allegiance and Safety/HPI Minute

- Kassie Bertilson, HPI and Strategy Program Manager, led the pledge and provided information on psychological safety; creating a safe space to share concerns, ideas, questions, and mistakes

Agenda

- The agenda was approved as presented

This Week in History

- Steve Wright, General Manager, noted two significant events from this week in history:
 - 1930 - vote by Washington state to create public utility district law
 - 1936 - Chelan PUD formed under the public utility district law
- Commissioner Smith also noted that in 1975 Chelan County voters approved Chelan PUD to add sewer services

Quarterly District Performance Plan Update

(see Chelan PUD website for presentation)

- Managing directors reviewed Q3 metrics completed or delayed
- 72% of metrics are completed

Quarterly Financial Review and Investment Report

(see Chelan PUD website for presentation)

- Mark Mullins, Director of Enterprise Risk Analytics, reviewed the third quarter financial report
- Year-end 2021 forecasts are better than budget

- Q3 year to date results are better than budget by \$44M
- Year-end forecasts anticipate higher revenues and some catch-up in operating expenses which will improve bottom line results slightly, better than budget by \$46M
- Long-term financial metrics remain strong
 - Includes assumed borrowing in the next five-year planning horizon to fund a portion of the capital spending program while maintaining financial metrics
- Stay the course with 2020-2024 strategic plan
 - Stay the long-term course while continuing to adapt to COVID19 impacts which have been manageable to date

Quarterly Electrical Load Growth Update

(see Chelan PUD website for presentation)

- Andy Wendell, Director of Customer Service and Stakeholder Outreach, and Chad Rissman, Director of Distribution Asset Management, provided information on load growth
- New construction and redevelopment of properties continues across the county
- Electrical infrastructure investments are timely
- Approximately 1.5% load growth is projected over the next 10 years
- Confidence levels around load growth increases with improved planning
- District utilities are positioning well to meet demands of growth

Fiber Rates Review and Updates

(see Chelan PUD website for presentation)

- Bob Shane, Managing Director of Fiber and Telecom, reviewed updated fiber offerings and rates
- Propose changes to our Residential, Business and Carrier class services and rates
 - Provides a higher level of service for our service providers that translate to value and benefit for those receiving service through our system
 - Necessary to keep our service providers competitive and responsive to the changing environment

Parks Fall Update

(see Chelan PUD website for presentation)

- Ryan Baker, Parks Manager, and Kyle Endelman, Parks Superintendent, provided a post-season parks update
- Erosion projects are on schedule and within budget
- On track with O&M and capital project spending for irrigation system replacements
- The Orondo River Park agreement will be presented to Commissioners in December or January
- Proposal to update field use guidelines and streamline rate structure
- Sport courts repair and pickleball transition has been adjusted based on feedback

Recess at 12:01pm, Reconvene at 1:00pm

Public Hearing – 2022 Preliminary Budget Presentation

(see Chelan PUD website for presentation)

- Public hearing started at 1:01pm
- Mark Mullins, Director of Enterprise Planning and Risk Analytics, provided a preliminary budget overview
 - Mark reviewed the 2022 preliminary budget including timeline, initial results, highlights, and next steps
 - Reviewed the 5-year financial plan and confirmed the plan meets District financial policies
- No public comment was received
- Public hearing ended at 1:45pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the October 18, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated October 27, 2021:
 - Vouchers totaling \$24,668,992.94;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 13, 2021 through October 26, 2021 in the amount of \$35,032.85.
 - Approval of the net Payroll, Warrant Nos. 237626 through 237641 and Advice Nos. 723117 through 723913 for the pay period ending October 10, 2021 in the amount of \$2,239,522.09.
 - Approval of Warrant Nos. 28004 through 28061 totaling \$8,098.06 for claim payments from the workers' compensation self-insurance fund for the period ending October 25, 2021.
 - Approval of debt service paid with reserve account interest earnings of \$1,771.23 for the period November 1, 2021 through November 30, 2021.
 - Approval of Parks Reservation System customer refunds for the period October 12, 2021 through October 27, 2021 in the amount of \$25.00.
- Resolution 11. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 20-37 WITH AXIOM DIVISION 7, INC. OF LYNDEN, WASHINGTON FOR THE RE-ROOF OF ROCK ISLAND COTTAGE ROOFS AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Bolz

To approve the consent agenda as presented

Approved: Unanimously

Resolutions 12 and 13

(see Chelan PUD website for resolutions)

- Brett Bickford, Director of Engineering and Project Management, presented Resolution 12
- These contracts will help support the capital spending plan by providing additional resource capacity
- Resolution 12. A RESOLUTION APPROVING BID ADVERTISEMENT, AWARD AND CONTRACT SIGNATURE FOR HYDRO GENERATION MECHANICAL SITE LABOR (BID NO. 21-30)
- Resolution 13. A RESOLUTION APPROVING BID ADVERTISEMENT, AWARD AND CONTRACT SIGNATURE FOR HYDRO GENERATING UNIT SHOP MACHINING (BID NO. 21-31)

Resolution 14

(see Chelan PUD website for resolutions)

- Chad Rissman, Director of Distribution Asset Management, presented Resolution 14
- Primary transformer vendor is challenged to fulfill orders; other vendors have some capacity
- Resolution 14. A RESOLUTION DECLARING AN EMERGENCY PURSUANT TO RCW 54.04.070 AND 39.04.280 AND AUTHORIZING THE GENERAL MANAGER TO CONTRACT FOR DISTRIBUTION TRANSFORMERS

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To approve Resolutions 12, 13, and 14 as presented

Approved: Unanimously

Fiber Budget Revision

- Bob Shane, Managing Director of Fiber and Telecom, presented a capital budget revision to establish a project budget for the Dry Falls Lake area of Manson
- This project was originally scheduled in 2023, but will be moved to 2021

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Bolz

To revise the Fiber System Capital Budget for the Public Power Benefit fiber expansion by \$1.2M to establish a project budget for the Dry Lake area of Manson (FDT-178) of \$1.2M

Approved: Unanimously

Manager Items

- Lacy Stockton, Energy Efficiency Marketing Strategist, reviewed the Pay It Forward program
 - Provides commercial and industrial customers the opportunity to donate all or a portion of energy incentives to the cause of their choice through the Community Foundation
- Neil Neroutsos, Communications Manager, reviewed messaging for a Chelan Douglas Health District insert in the Connected newsletter; some concern was expressed

Commissioner Travel

- Lisa Sanders, Legal Administrative Assistant, reviewed upcoming Commissioner travel

Follow up on Delegation of Action Items from 10/18/21 Board meeting

- None

Follow up on Delegation of Action Items from Previous Board meetings

- Bob Shane will provide the current cost per premise per mile of fiber extension for both urban and outlying customers - sent via email on 10/22/21

Delegation of Action Items

- Rebekah Neumann will order 5 copies of the book - The Fearless Organization

Executive Session

President Smith convened an executive session at approximately 2:20pm 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) for approximately 60 minutes.

Regular Session Reconvened at 3:18pm

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

There being no other business, the meeting adjourned at 3:18pm.

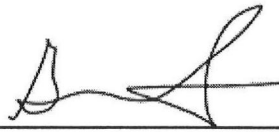
President

Vice President

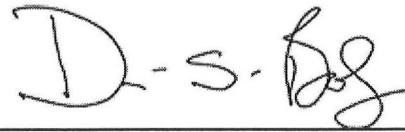
Secretary

Commissioner


Commissioner



Garry Arseneault - Board Member
Approved on 11/24/2021 1:02PM
PST



Dennis Bolz - Board Member
Approved on 11/15/2021 4:29PM
PST



Ann Congdon - Board Member
Approved on 11/17/2021 4:27PM
PST



Steve McKenna - Board Member
Approved on 11/30/2021 9:25AM
PST



Randy Smith - Board Member
Approved on 11/16/2021 6:57AM
PST