

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington November 15, 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 15, 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 10:01am

Pledge of Allegiance and Safety/HPI Minute

- Rachel Hansen, Senior Communications Strategist, led the pledge and reviewed safe food handling practices

Agenda

- The agenda was approved as presented

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized September and October winners Curtis Cole, Manager Business Intelligence and Data Analytics, Patty Wachtel, Workers Compensation and Occupational Health Program Manager, and Kassie Bertilson, HPI and Strategy Program Manager

Quarterly Energy Resources Update

(see Chelan PUD website for presentation)

- Shawn Smith, Managing Director of Energy Resources, and Mike Bradshaw, Director of Energy Structure and Trading, presented third quarter results
- The District's 2021 forecasted net wholesale revenue of \$67.2M closely matches the budget for the year
 - After adding other energy-related revenue, the forecast is \$106.6M and \$29.1M higher than budget
- Western Resource Adequacy Program (WRAP) continues to progress on schedule
- Continued momentum for Western Regional Transmission Organization (RTO)
 - Steve Wright, General Manager, noted a long history of discussion regarding an RTO in the Northwest and reviewed various initiatives

Electric Vehicle (EV) Rate

(see Chelan PUD website for presentation)

- Andrew Grassell, Energy Development and Conservation Manager, provide an overview of proposed EV fast charging rates, including rate applicability, rate options, and outreach plan
- Staff recommendation is for option 3 with a phased-in approach
- Commissioners gave a head nod of approval for the proposed outreach plan

Annual Fees and Charges Update

(see Chelan PUD website for presentation)

- Cathy Melton, Customer Service Program Analyst, reviewed recommended changes to fees and charges and provided information on funding for growth
- Continuation of plan to bring service connection fees closer to cost recovery implemented last year with approximately 10% annual increases in the fees
- Effective date is April 1, 2022
- Staff will closely monitor impacts of supply limitations of distribution transformers

Transmission Tariff Update

(see Chelan PUD website for presentation)

- Robb Davis, Staff Attorney, and Chad Bowman, Director of Transmission and Compliance, gave an update on proposed transmission tariffs
- Reviewed District transmission initiatives, FERC tariff background, transmission service process, transmission tariff details, and next steps
- From a national perspective our actions are important, not just to Chelan, but to public power as a whole

Manager Items

- Ron Slabaugh, Water / Wastewater Manager, provided a Regional Water update
 - Budget
 - O&M increases from \$1.025M in 2021 to \$1.095M in 2022
 - Revenue increases from \$1.91M in 2021 to \$2.17M in 2022
 - Fund balance increases from \$4.35M in 2021 to \$5.57M in 2022
 - The committee agreed to increase the Regional wholesale rate 10% to continue building reserves for the second source
 - Second source planned activity for 2022 includes the surface water treatment study and feasibility analysis
 - The District will manage this effort with Chelan Douglas Regional Port Authority (CDRPA); funding not to exceed \$300,000
 - Crown Columbia lease of Regional water rights
 - Regional received payment of approximately \$200k from Crown
 - An amendment to the agreement will be needed to authorize Crown's continued use in 2022
 - The amendment will be presented to the Board for approval at a future board meeting

Follow up on Delegation of Action Items from 11/1/21 Board meeting

- Rebekah Neumann will order 5 copies of the book - The Fearless Organization – books delivered 11/4/21

Commission Items

- Commissioner McKenna has enjoyed reading the book The Fearless Organization and thanked Kassie Bertilson, HPI and Strategy Program Manager, for bringing it the Commissioners' attention
- Commissioner Smith gave a reminder for the Washington PUD Association meetings later this week

Recess at 11:54am, Reconvene at 1:00pm

Public Hearing – 2022 Budget Update

(see Chelan PUD website for presentation)

- Public hearing started at 1:01pm
- Mark Mullins, Director of Enterprise Planning and Risk Analytics, provided an update on the proposed 2022 budget including a summary of changes since the November 1 presentation
- Budget changes include a bottom-line increase of \$3.1M to \$61.5M
- The 2022 budget meets all financial targets during the 5-year planning horizon
- No public comment was received
- Public hearing ended at 1:26pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the November 1, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated November 10, 2021:
 - Vouchers totaling \$9,254,008.22;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 27, 2021 through November 9, 2021 in the amount of \$67,324.12.
 - Approval of the net Payroll, Warrant Nos. 237642 through 237655 and Advice Nos. 723914 through 724700 for the pay period ending October 24, 2021 in the amount of \$2,293,372.80.
 - Approval of Warrant Nos. 28062 through 28084 totaling \$29,647.93 for claim payments from the workers' compensation self-insurance fund for the period ending November 8, 2021.

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner McKenna

To approve the consent agenda as presented

Approved: Unanimously

Resolution 11

(see Chelan PUD website for resolutions)

- Ian Adams, Hatchery Maintenance and Operations Coordinator, presented Resolution 11
- Allows continued hatchery operations for 2022
- Resolution 11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE INDIVIDUAL TASK AUTHORIZATIONS UNDER INTERAGENCY AGREEMENT SA NO. 15-123 WITH WASHINGTON DEPARTMENT OF FISH AND WILDLIFE TO OPERATE THE FISH HATCHERY PROGRAMS REQUIRED IN THE LICENSES FOR THE ROCKY REACH, ROCK ISLAND, AND LAKE CHELAN HYDROELECTRIC PROJECTS

Resolution 12

(see Chelan PUD website for resolutions)

- Catherine Willard, Senior Fisheries Biologist, presented Resolution 12
- Amendment to conduct monitoring and evaluation activities in support of District HCP programs
- Resolution 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO INTERAGENCY SERVICES AGREEMENT (SA NO. 19-10432) WITH WASHINGTON STATE DEPARTMENT OF FISH AND WILDLIFE TO PROVIDE HATCHERY MONITORING AND EVALUATION SERVICES

Resolutions 13 and 14

(see Chelan PUD website for resolutions)

- Von Pope, Senior Wildlife Biologist, presented Resolutions 13 and 14
- 5-year agreements to meet requirements of the Rocky Reach wildlife management plan

- Resolution 13. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 20-11236) WITH THE WASHINGTON DEPARTMENT OF FISH AND WILDLIFE FOR ROCKY REACH LICENSE WILDLIFE HABITAT IMPLEMENTATION
- Resolution 14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 20-11320) WITH THE BUREAU OF LAND MANAGEMENT FOR ROCKY REACH LICENSE WILDLIFE HABITAT IMPLEMENTATION

Resolution 15

(see Chelan PUD website for resolutions)

- John Sagerser, Engineering and Project Management Manager, presented Resolution 15
- Will allow access to units for rehabilitation work
- Resolution 15. A RESOLUTION DECLARING THAT NO BIDS WERE RECEIVED FOR RI PH2 ROOF LIFTING STRUCTURE (BID NO. 21-SW10) AND AUTHORIZING THE PROJECT BE OBTAINED BY NEGOTIATION

Resolution 16

(see Chelan PUD website for resolutions)

- Mitchell Clark, Senior Project Manager, presented Resolution 16
- Resolution 16. A RESOLUTION DECLARING OILS AMERICA CORPORATION OF PLYMOUTH, MICHIGAN AS THE SOLE SOURCE SUPPLIER OF WICKET GATE STEM BUSHINGS FOR ROCKY REACH C1-C7

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To approve Resolutions 11, 12, 13, 14, 15, and 16 as presented

Approved: Unanimously

Delegation of Action Items

- None

Executive Session

President Smith convened an executive session at approximately 1:55pm 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 30 minutes.

Regular Session Reconvened at 2:28pm

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

There being no other business, the meeting adjourned at 2:28pm.


President

Vice President

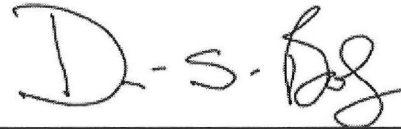
Secretary

Commissioner

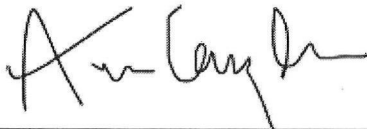
Commissioner



Garry Arseneault - Board Member
Approved on 12/12/2021 3:29PM
PST



Dennis Bolz - Board Member
Approved on 12/7/2021 1:53PM PST



Ann Congdon - Board Member
Approved on 12/8/2021 3:15PM PST



Steve McKenna - Board Member
Approved on 12/8/2021 6:34PM PST



Randy Smith - Board Member
Approved on 12/7/2021 12:35PM PST