

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington November 16, 2020

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 16, 2020, at the hour of 10:00 am, pursuant to proper notice thereof.

Commissioners present: Steve McKenna, Vice-President (by phone)
Dennis Bolz (by phone)
Ann Congdon (by phone)
Randy Smith (by phone)

Staff present: Steve Wright, General Manager
Erik Wahlquist, General Counsel
Rebekah Garfein, Clerk of the Board
Various staff

Call To Order

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

Pledge of Allegiance and Safety/HPI Minute

- Scott Hopkins, Fisheries Biologist II, led the pledge and provided safety information on the use of communication devices, especially in backcountry settings

Agenda

- Resolutions 10, 11, 12, 13, and 14 were moved to the consent agenda; the agenda was approved as revised

Quarterly Energy Resources Update

(see Chelan PUD website for presentation)

- Robb Davis, Interim Managing Director of Energy Resources, and Janet Jaspers, Director of Energy Operations, Planning and Trading, reviewed 3rd quarter results including:
 - Portfolio overview, operations and planning, and market update
- The District's 2020 net wholesale revenue forecast and other energy-related revenues is \$85.5 million, which is \$0.8 million above budget

Low-Income Program Update

(see Chelan PUD website for presentation)

- Andrew Grassell, Energy Development and Conservation Manager, reviewed options to assist energy-burdened customers including the program purpose and guiding principles
- The target market is about 2,100 energy-burdened households; reviewed energy savings potential for those households
- The Clean Energy Transformation Act (CETA) does not impose a mandate, but sets a 2030 target
- Commissioners provided feedback on potential program components

Annual Fees and Charges Update

(see Chelan PUD website for presentation)

- Cathy Melton, Customer Service Program Analyst, reviewed proposed changes to the fees and charges along with an update on system development charges
- Proposed changes to fees and charges seek to balance cost recovery and customer expectations
 - Recommended effective date of April 1, 2021 allows completion of outreach to customers and contractors
- The District is working with a consultant on system development charges for electric, water, and wastewater

Manager Items

- Janel Ulrich, Hydro Licensing Manager, reviewed the Rock Island relicensing stakeholder outreach plan
 - Planning initial outreach to key agencies and tribes to include background information and the licensing process; outreach will be conducted between December and March
 - Community and landowner outreach will be done more generally; approach is under development and expected to take place in Q2
 - The District plans to utilize a contractor to support this effort
- John Stoll, Managing Director of Customer Utilities, gave an update on the opportunity for payment kiosks
 - Kiosks work directly with our third-party payment processor; all needed technology is currently in place
 - Remote payment kiosks would accept card or cash and dispense change
 - John welcomes feedback on potential locations
- Jenna Rahm, Customer Outreach Specialist I, reviewed themes heard during recent outreach in Stehekin
- Justin Erickson, Managing Director of District Services, reviewed Tri-Commission legislative priorities
 - Public Works Board / Trust Fund
 - Importance of fiber buildout and statewide funding
- Steve Wright, General Manager, gave updates on the following:
 - COVID-related issues
 - Rethinking our operations based on the Governor's proclamation yesterday regarding COVID restrictions; will reconsider what work will be completed in the office versus remotely
 - Confluence will have ~100 tests available for employees on Tuesday and Wednesday following Thanksgiving; testing will be available for staff working on the most critical activities
 - Proposed extending the no disconnect/no late fee policies through the end of April
 - Have received some customer letters recently on various issues; responses are in development
 - Provided feedback to the County on the limitations of our system to handle the proposed housing development in Peshastin

Consent Agenda

(see Chelan PUD website for resolutions)

Vice-President McKenna presented the consent agenda, which included the following items:

- Minutes of the November 2, 2020 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated November 12, 2020:
 - Vouchers totaling \$8,918,401.17;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 28, 2020 through November 11, 2020 in the amount of \$25,071.37;
 - Approval of the net Payroll, Warrant Nos. 237270 through 237285 and Advice Nos. 703496 through 704275 for the pay period ending 10/25/2020 in the amount of \$2,163,406.20;
 - Approval of Warrant Nos. 27008 through 27031 totaling \$15,741.12 for claim payments from the workers' compensation self-insurance fund for the period ending November 9, 2020.
- Resolution 10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A ROAD DECOMMISSIONING AGREEMENT WITH CHELAN COUNTY NATURAL RESOURCES DEPARTMENT

- Resolution 11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SPECIAL USE PERMIT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, THAT PROVIDES FOR CONTINUED SAFE OPERATION AND MAINTENANCE OF THE MCKENZIE - BEVERLY 115KV TRANSMISSION LINE WHILE MAINTAINING THE ENVIRONMENTAL INTEGRITY OF THE NATION FOREST SYSTEM LANDS
- Resolution 12. A RESOLUTION APPROVING BIDDING DOCUMENTS FOR DISTRICT TREE PRUNING 2021-2023 AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO ENABLING AGREEMENT (PSA NO. 20-10977) WITH EXPRESS SERVICES, INC. DBA EXPRESS EMPLOYMENT PROFESSIONALS TO PROVIDE TEMPORARY EMPLOYMENT SERVICES
- Resolution 14. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO ENABLING AGREEMENT (PSA NO. 20-10980) WITH STAFFMARK INVESTMENT LLC DBA STAFFMARK TO PROVIDE TEMPORARY EMPLOYMENT SERVICES

Moved by: Commissioner Smith
 Seconded by: Commissioner Bolz
 To approve the consent agenda as revised
 Approved: Unanimously

Resolution 15

(see Chelan PUD website for resolution)

- Vicki Griffin, Real Estate and Permitting Manager, presented Resolution 15
- Reviewed background information; this resolution maintains the District’s interest and resolves this property dispute
- Resolution 15. A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH CHARLES D. AND JOYCE K. FOLLIS FOR THE SALE OF REAL PROPERTY IN SETTLEMENT OF A PROPERTY DISPUTE AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION

Moved by: Commissioner Bolz
 Seconded by: Commissioner Smith
 To accept Resolution 15 as presented
 Approved: Unanimously

Follow up on Delegation of Action Items from 11/2/20 Board meeting

- John Stoll will provide information on how trees are removed from lines – completed via email 11/3/20
- Mark Mullins will add a metric to the District Performance Plan reflecting all percentage of items completed, including those completed late – the District Performance Plan will reflect this change on the next report
- Alene Underwood will confirm the dollar amount of the 4.3% increase to the WDFW Hatchery Monitoring and Evaluation contract – completed via email 11/13/20
- Mark Mullins will provide more information on the long-term financials of the Nine Canyons project – completed via email 11/7/20
- Steve Wright will provide information on the budget impact of the 8 new, permanent positions included in the budget – completed via email 11/2/20

Delegation of Action Items

- Andrew Grassell will work with Erik Wahlquist to provide the Clean Energy Transformation Act language regarding the 2030 target for energy-burdened customers
- Steve Wright will provide available information on how much employment we are providing for contractors in the coming year

Recessed at 11:48am and Reconvened at 1:00pm

Public Hearing: 2021 Budget Update

(see Chelan PUD website for presentation)

- Public hearing started at 1:01pm
- Mark Mullins, Director of Enterprise Planning and Risk Analytics, reviewed updates to the 2021 budget
 - Bottom line: decrease \$3.5M from \$55.0M to \$51.5M
 - Operating revenues: decrease \$1.9M
 - Operating expenses: increase \$1.8M
 - Non-operating activity: decrease \$0.2M
 - Net capital spending: increase \$0.9M
- Public hearing ended at 1:22pm

Manager Item

- Steve Wright, General Manager, noted that the emergency action plan would be tested later this week

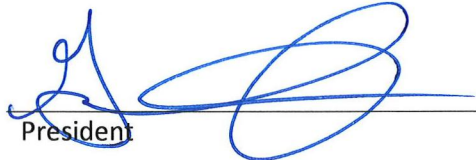
Executive Session

Vice-President McKenna convened an executive session at approximately 1:25pm 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 20 minutes.

Regular Session Reconvened at 1:43pm

Vice-President McKenna stated no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting adjourned at 1:43pm.



President

Vice President

Secretary

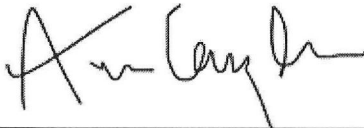
Commissioner



Commissioner

Garry Arseneault - Board Member

Dennis Bolz - Board Member



Ann Congdon - Board Member
Approved on 12/9/2020 8:21AM PST



Randy Smith - Board Member
Approved on 12/9/2020 8:01AM PST