

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington November 17, 2025

The regular meeting of the Commission, of Public Utility District No. 1 of Chelan County, Washington, was held in the office of the District, 203 Olds Station Road, Wenatchee, Washington, on November 17, 2025, at the hour of 10:00 am, pursuant to proper notice.

Commissioners present: Steve McKenna, President
Garry Arseneault (remote)
Randy Smith
Carnan Bergren
Kelly Allen (remote)

Staff present: Kirk Hudson, General Manager
Erik Wahlquist, General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Others present: Dorry Foster, Steve Keene

Call to Order

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

Pledge of Allegiance and Safety/H&OP Minute

- Randall Phillips, Materials Superintendent, led the pledge and provided information on immediate responder training

Agenda

- Resolution 16 was moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

- Kirk Hudson, General Manager, recognized October winner Phillip Morris, Senior System Operator

Public Hearing: 2026 Budget Update

- Hearing started @ 10:18 am
- Dave Nelson, Strategic Financial Planning Manager, reviewed changes to the 2026 budget since the presentation on November 3, which include:
 - Bottom line forecast decreased by \$5M
 - Operating revenue decreased \$6M
 - Operating expense decreased \$1M
 - Net capital increased \$6M
- No public comments were received
- Hearing ended @ 10:34am

Draft Strategic Plan Review

- Justin Erickson, Chief Strategy and Stakeholder Officer, Micah Lenderman, Senior Management Analyst, and Felicity Saberhagen, District Business Manager, provided an update on the transition to a new strategic planning process
- Reviewed strategies and tactics aligned under five overarching goals, developed by a cross-functional team
- New process will use a continuous feedback cycle and dashboard reporting
- Commissioners provided initial feedback on the strategic plan

Final Draft Integrated Resource Plan (IRP) Report

- Becky Keating, Senior Energy Analyst, reviewed the District's 2025 Integrated Resource Plan including finalized portfolio analysis and a summary of recommendations
- The IRP website can be found at: www.chelanpud.org/irp
- Next steps include a public hearing on December 1, gathering public feedback through December 8 and a resolution for consideration presented to Commissioners on December 15

Clean Energy Implementation Plan (CEIP)

- Jeff Johnson, Director Energy Operations Planning and Trading, provided an update on the 2026-2029 CEIP
- Reviewed proposed indicators to reduce energy burden and improve indoor air quality and resilience during climate hazards
- The CEIP website can be found at: www.chelanpud.org/ceip
- Next steps include a public hearing on December 1, gathering public feedback through December 8 and a resolution for consideration presented to Commissioners on December 15

Conservation Potential Assessment (CPA) and 2-Year Targets

- Jim White, Principal Energy Conservation Engineer, provided an update on the CPA and 2-year targets for 2026-2027
- Reviewed past conservation targets and achievements, primary drivers of decreased potential, and proposed 10-year plan
- 2-year target is set at 1.71 aMW
- Next steps include a public hearing on December 1 and a resolution for consideration presented to Commissioners on December 15

Utility Discount Programs

- Cathy Melton, Customer Service Program Analyst, and Lindsey Mohns, Director Business Services and Customer Utilities, provided an overview of a proposed customer bill assistance program
- Reviewed current program challenges and program design principles
- Staff recommendation is for a 25% discount program for income-qualified customers; reviewed additional options for Commissioners' consideration
- Reviewed proposed rate action outreach plan

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bergren

To approve the proposed public engagement plan and to set a public rate hearing on December 1, 2025, at 11:00am at the PUD Service Center

Approved: Unanimously

Property Acquisition Opportunities

- Lisa Juchmes, Real Estate Specialist III, Abra O'Leary, Project Manager, and Chad Rissman, Director Distribution Asset Management, provided information on two property parcels

- Purchase and sale agreements are in place for:
 - Hinterland property, 8.53 acres, near Manson, \$661,500
 - Castillo property, 0.23 acres, adjacent to Mission substation in Cashmere, \$300,000

Public Comment

- Dorry Foster, YMCA Executive Director, praised staff for their work on the 5th street campus project
 - YMCA second floor has been completed; building should be enclosed by December 15
 - Anticipate a grand opening on November 1, 2026

Recessed @ 12:11pm; Reconvened @ 1:01pm

Consent Agenda

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

- Minutes of the November 3, 2025 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated November 12, 2025:
 - Vouchers totaling \$21,883,184.55;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 28, 2025 through November 11, 2025 in the amount of \$83,744.61.
 - Approval of the net Payroll, Warrant Nos. 238869 through 238875 and Advice Nos. 810692 through 811553 for the pay period ending November 02, 2025 in the amount of \$3,059,722.83.
 - Approval of Warrant Nos. 33812 through 33875 totaling \$13,579.88 for claim payments from the workers' compensation self-insurance fund for the period ending November 10, 2025.
- Resolution 16. RESOLUTION NO. 25-15045 REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR THE 2025 SUBSTATION PROGRAM TRANSFORMERS (BID NO. 25-14367) AND AUTHORIZING PROCUREMENT BY NEGOTIATION

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Bergren

To approve the consent agenda as revised to include Resolution 16

Approved: Unanimously

Resolutions 14 & 15

- Casey Hall, Project Delivery Manager, presented Resolutions 14 and 15
- Resolution 14. RESOLUTION NO. 25-15043 RATIFYING CHANGE ORDER NO. 1 AND APPROVING CHANGE ORDER NO. 2 TO THE CONTRACT WITH KNIGHT CONSTRUCTION & SUPPLY, INC. FOR ROCK ISLAND SPILLWAY CRACK REPAIRS (CONTRACT NO. 24-13718)
- Resolution 15. RESOLUTION NO. 25-15044 A RESOLUTION ACCEPTING THE PROPOSAL OF KUNEY-BRENNAN JOINT VENTURE OF SPOKANE, WA TO PROVIDE PROGRESSIVE DESIGN-BUILD SERVICES FOR THE ROCK ISLAND AND ROCKY REACH HYDROELECTRIC DAM CIVIL AND MECHANICAL IMPROVEMENTS, INCLUDING THE FIRST GMP FOR PRECONSTRUCTION SERVICES OF THE DROP GATE STRUCTURE, AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO ENTER INTO A CONTRACT FOR SAID SERVICES

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve Resolutions 14 and 15 as presented

Approved: Unanimously

Manager Items

- Kirk Hudson noted the quarterly project and contract summary reports were included in the meeting packet
- Rachel Hansen, Senior Communications Strategist, noted two recent communications awards
 - Award of Merit for the Print & Digital category of American Public Power Association's (APPA) Excellence in Public Power Communications for board game designed to engage staff in cyber security training
 - Northwest Public Power Association Excellence in Communication Award for a video on affordable power
- Lindsey Mohns reported that a payment kiosk has been installed outside of Plaza Super Jet on Orondo Avenue in Wenatchee

Commission Items

- Commissioner Smith noted a mini energy summit at the Washington PUD Association meeting – it was a great session
- Commissioner Allen also provided her perspective on the energy summit presentations

Follow up on Delegation of Action Items from 11/3/25 Board meeting

- None

Delegation of Action Items

- Dave Nelson will provide information on current debt levels – completed via email 11/17/25
- Libby Siebens will provide information on the number of visits to the IRP, CEIP, and CPA websites
- Jim White will show historical Conservation Potential Assessment as dollar values
- Lisa Juchmes will determine if the Castillo property in Cashmere has water rights


Executive Session

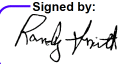
President McKenna convened an executive session at approximately 1:40pm to discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) for approximately 60 minutes.

Regular Session Reconvened at 2:31pm

President McKenna confirmed no votes were taken and no decisions were made during Executive Session

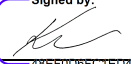
- There being no other business, the meeting was adjourned at 2:31pm

Signed by:

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Vice President

Signed by:

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Commissioner

Signed by:

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President

Signed by:

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Secretary

Commissioner