

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington November 20, 2023

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 20, 2023, at the hour of 10:00 am, pursuant to proper notice.

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

Staff present: Brett Bickford, Acting General Manager
Erik Wahlquist, General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Guests present: Emily Thornton

Call to Order

- President Smith called the meeting to order at 10:00am

Pledge of Allegiance and Safety/HPI Minute

- Chris McDarment, System Operations and Coordination Manager, led the pledge and provided information on three-part communication

Agenda

- Resolutions 9, 12, and 13 were moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

- Brett Bickford, Acting General Manager, recognized October Winner, Kate von Reis Baron, River Planner IV

Final Draft Integrated Resource Plan (IRP) Report

- Becky Keating, Senior Analyst, reviewed the District's 2023 Integrated Resource Plan including, electric vehicle load forecast, Clean Energy Action Plan, process schedule and the following recommendations
- Retain District's current mix of generating resources to meet load and renewables requirements of Washington Renewable Portfolio Standard for 2023-2032
- Continue to evaluate and implement conservation programs based on 2023 Conservation Potential Assessment
- Evaluate and determine power supply for new, large loads
- Keep evaluating and implementing strategies consistent with financial policies & hedging strategy
- No public comment has been received to date

Fish and Wildlife Update

- Lance Keller, Senior Fisheries Biologist, provided an update on the Rocky Reach Habitat Conservation Plan confirmation survival study
- Reviewed study challenges and timeline
- Combined adult and juvenile Spring Chinook survival rate is 93.54%
- Commissioner Allen noted her visit earlier this season and complimented staff's commitment to the process

Consent Agenda

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

- Minutes of the November 6, 2023 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated November 14, 2023:
 - Vouchers totaling \$14,281,086.29;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 31, 2023 through November 13, 2023 in the amount of \$62,943.66.
 - Approval of the net Payroll, Warrant Nos. 238310 through 238316 and Advice Nos. 766662 through 767496 for the pay period ending November 5, 2023 in the amount of \$2,695,036.78.
 - Approval of Warrant Nos. 30249 through 30294 totaling \$6,097.52 for claim payments from the workers' compensation self-insurance fund for the period ending November 13, 2023.
- Resolution 8. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 20-32 WITH CONTINENTAL FIELD SYSTEMS, INC. OF SAVANNAH, GA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
- Resolution 9. A RESOLUTION AUTHORIZING AMENDMENT NO. 9 TO SERVICES AGREEMENT (SA NO. 16-181) WITH LUCAS ENGINEERING AND MANAGEMENT SERVICES, INC. TO PROVIDE OPERATIONAL EXCELLENCE TRAINING AND CONSULTING
- Resolution 12. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA NO. 20-10877) WITH ZTEK, LLC TO PROVIDE ELECTRICAL AND CONTROL SYSTEMS ENGINEERING
- Resolution 13. A RESOLUTION AUTHORIZING AMENDMENT 5 TO SERVICES AGREEMENT (SA-TA NO. 20-10987) WITH GRAY & OSBORNE, INC. OF WENATCHEE WASHINGTON TO PROVIDE ENGINEERING SERVICES

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner McKenna

To approve the consent agenda as modified to include Resolutions 9, 12, and 13

Approved: Unanimously

Resolutions 10 and 11

- Catherine Willard, Senior Fisheries Biologist, presented Resolutions 10 and 11
- Resolution 10. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO INTERAGENCY SERVICES AGREEMENT (CONTRACT NO. 19-10432) WITH WASHINGTON STATE DEPARTMENT OF FISH AND WILDLIFE TO PROVIDE HATCHERY MONITORING AND EVALUATION SERVICES
- Resolution 11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL COOPERATIVE AGREEMENT (SA 23-12790) WITH PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY TO MEET THE DISTRICT'S METHOW BASIN SPRING CHINOOK SALMON HATCHERY OBLIGATION AT METHOW HATCHERY

Resolution 14

- Ian Fitzgerald, Chief Technology Officer, presented Resolution 14
- Resolution 14. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 22-12481) WITH UTILICAST, LLC TO PROVIDE ENTERPRISE AND SOLUTIONS ARCHITECTURE CONSULTING

Resolution 15

- Justin Cornea, Senior Fiber Network Administrator, presented Resolution 15
- Resolution 15. A RESOLUTION RESCINDING AND REPLACING RESOLUTION NO. 23-14774 AND ADOPTING NEW TELECOMMUNICATION RATES FOR WHOLESALE TELECOMMUNICATIONS SERVICES BY SERVICE PROVIDERS ON THE DISTRICT'S BROADBAND SYSTEM

Ohme Water Reservoir Property

- Ron Slabaugh, Water / Wastewater Manager, presented information on a proposed property purchase
- Reviewed background information on the property adjacent to the Ohme Reservoir
- Resolution will be brought back for Commissioner consideration at the next meeting

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve Resolutions 10, 11, 14, and 15 as presented

Approved: Unanimously

Budget Revision – Underground Cable Replacement

- Lindsey Mohns, Business Services and Customer Utilities Manager, reviewed a proposed budget revision for underground cable replacement
- Proposed revision: To increase the total project budget and 2023 current year budget amount for capital project DSXX0003, UG Cable Replacements, in the amount of \$360,000 for a revised total project budget of \$1,635,300, and to decrease the 2023 DS-Line Extension (DSLEXXX1) budget by the same amount, to result in no net change to the overall 2023 Distribution System approved capital budget

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Allen

To approve the budget revision as presented

Approved: Unanimously

Manager Items

- Brett Bickford, Acting General Manager, noted that quarterly project reports were included in the board packet
- Lindsey Mohns and Ron Slabaugh, shared information on the water transmitter replacement program
 - Supply chain issues prevented us from getting the failed transmitters replaced earlier
 - Currently about half of the failed transmitters have been replaced
 - Reaching out to customers as those transmitters are being replaced and the bills are brought current
 - Completing manual reads on the rest of the transmitters to true up those accounts as well
- Brett Bickford reported on a couple additional items
 - A contractor will be performing work on the McKenzie/York transmission line; the contractor will be utilizing a person suspended from a helicopter to complete that work next week
 - The Clean Energy Expo has been confirmed on December 14 and will be held at the Wenatchee Convention Center, hosted by Chelan, Douglas and Grant PUDs
 - There will be three sessions with different areas of focus

Commissioner Items

- Commissioner McKenna noted that there is interest across the state for the Clean Energy Expo

Follow up on Delegation of Action Items from 11/6/23 Board meeting

- Mike Bradshaw – Follow up with amount of no-cost allowances to be auctioned at next quarterly auction on 12/6/23, part of Climate Commitment Act - follow up has been completed
- Janet Jaspers – Provide summary of Lake Roosevelt annual drawdown parameters - sent via email 11/06/23
- Consider a board workshop for Fiber expansion - Rebekah is working on scheduling

Delegation of Action Items

- Brett Bickford will investigate a remote attendance option for the Clean Energy Expo

Executive Session

President Smith convened an executive session at approximately 11:30am 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), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), and to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c) for approximately 30 minutes.

Regular Session Reconvened at 12:00pm

Recess @ 12:00pm, Reconvene @ 1:00pm

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

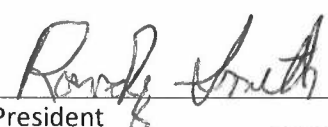
Public Hearing – 2024 Preliminary Budget

- Hearing started @ 1:00pm
- Dave Nelson, Manager Strategic Financial Planning, reviewed changes to the 2024 budget since the presentation on November 6, which include
- Bottom line increased \$3M
- Operating revenues increased \$7M
 - Net Wholesale Revenue up \$4.7M due to increased carbon-free premium on executed forward trade
 - Long-term hydro cost-based contract revenues up \$2.4M due to increase in hydro operations and maintenance costs
- Operating expenses increased \$4M
 - Refinement of hydro plans including schedule for Tumwater Dam Spillway Repair (+\$2.3M from 2023)
- No public comment was received
- Hearing ended at 1:27pm

There being no other business, the meeting adjourned at 1:27pm.


Vice President


Commissioner


President


Secretary


Commissioner