

**Minutes of the Regular Commission Meeting of  
Public Utility District No. 1 of Chelan County, Washington  
December 18, 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 December 18, 2023, at the hour of 10:00 am, pursuant to proper notice.

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

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

**Guests present:** Dave Arbaugh, Kaylie Worthen, Steve Keene, Nick Rossi

**Call to Order**

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

**Pledge of Allegiance and Safety/HPI Minute**

- Jered Paine, Journeyman Mechanic, led the pledge and provided information on common maintenance-related errors

**Agenda**

- Resolutions 11 and 13 were moved to the consent agenda; the agenda was approved as modified

**Safety Investigation Recommendations Follow Up**

- Dan Garrison, Director Hydro Plant Management, and Jared Watts, Director Safety, Health and H&OP, gave an update on progress made on safety investigation recommendations
- Reviewed entire recommendation list including progress on two remaining recommendations
  - Establish degree of awareness for incident reporting
  - Inspect spillway bays with swing rails
- Highlighted the evolution of Human Performance Improvement (HPI) into Human and Organizational Performance (H&OP)

**Legislative Update**

- Tracy Yount, Director External Affairs, and Kelli Scott, Government/External Affairs Program Manager provided a legislative update
- Presented industry trends, 2023 year in review, 2024 session overview, policy priorities, and other issues

- Commissioner Bergren expressed concern that a state-wide low income energy assistance program would cause additional burden to our customer-owners

#### **Peshastin Water District Acquisition Update**

- Ron Slabaugh, Water/Wastewater Manager, Cathy Melton, Customer Service Program Analyst, and Heather Irelan, Director Treasury, gave an update on the acquisition of the Peshastin Water District (PWD) along with rate options
- Discussed refined capital improvement plan, financing options, water rights valuation and future board actions
- Reviewed planned rate and fee adjustments
- Outlined schedule to complete the acquisition by March 2024
- Commissioner Bergren noted that he supported this acquisition in 2016 as a commissioner on the Peshastin Water District Board, so plans to recuse himself from voting on this matter
- Steve Keene, PWD Consultant, reported there are only two outstanding loans, the third was recently retired

#### **Vegetation Management Update**

- Bill Sanborn, Utility Vegetation Program Manager, gave an update on vegetation management
- Reviewed the vegetation management program, the shift to emphasize fire mitigation, challenges, and benchmarks
- John Stoll, Managing Director of Customer Utilities, thanked Bill and the team for their work on this important program

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

#### **Ravenwing Ranch Property Purchase and Sale Agreement**

- Vicki Griffin, Real Estate and Permitting Manager, and Daniel Appel, Staff Attorney, presented a map and terms of a proposed property purchase from Ravenwing Ranch
- Approximately 4,910 acres of undeveloped property provides options for future uses and preserves local control of property
- Kirk Hudson, General Manager, and Commissioners expressed their support for this purchase to provide future options

#### **Consent Agenda**

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

- Minutes of the November 30, 2023 Special Meeting and December 4, 2023 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated December 12, 2023:
  - Vouchers totaling \$24,908,916.22;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 28, 2023 through December 11, 2023 in the amount of \$86,849.01.
  - Approval of the net Payroll, Warrant Nos. 238328 through 238333 and Advice Nos. 768308 through 769122 for the pay period ending December 03, 2023 in the amount of \$2,555,961.62.
  - Approval of Warrant Nos. 30359 through 30408 totaling \$4,655.03 for claim payments from the workers' compensation self-insurance fund for the period ending December 11, 2023.
- Resolution 11. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA NO. 16-034) WITH AON CONSULTING, INC TO PROVIDE EMPLOYEE BENEFIT CONSULTING SERVICES
- Resolution 13. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 4, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 5 TO CONTRACT 20-39A WITH WRIGHT TREE SERVICE, INC. FOR TREE PRUNING

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To approve the consent agenda as modified to include Resolutions 11 and 13

Approved: Unanimously

**Resolutions 12**

- John Sagerser, Engineering and Project Management Manager, presented Resolution 12
- Resolution 12. A RESOLUTION AUTHORIZING THE EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 2-GMP3 TO CONTRACT NO. 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT

**Resolutions 14 and 15**

- Tim McMaster, Engineering and Project Management Manager, presented Resolutions 14 and 15
- Resolution 14. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDERS 1, 2, 4, AND 5 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO BID NO. 21-30 FOR HYDRO GENERATION MECHANICAL SITE LABOR WITH BENDER CCP, INC. OF VERNON, CALIFORNIA
- Resolution 15. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 3 AND APPROVING FIELD WORK ORDER 4 TO BID NO. 21-31A FOR HYDRO GENERATING UNIT SHOP MACHINING WITH BENDER CCP, INC. OF VERNON, CALIFORNIA

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Allen

To approve Resolutions 12, 14, and 15 as presented

Approved: Unanimously

**Manager Items**

- John Stoll, Managing Director Customer Utilities, and Teka Sellers, Customer Outreach Specialist II, provided an update on the progress of Advanced Metering Infrastructure (AMI) meter installations
  - About 45,000 meters will be installed by the end of the year; 73% complete as of today
  - Currently focused on the Wenatchee area; providing more notice to commercial customers and giving them an opportunity to schedule an appointment for their meter replacement
  - Lessons learned include extra steps to get ahold of businesses and schools changed out over winter break

**Commissioner Items**

- Commissioners expressed their appreciation for last week's Clean Energy Expo; thanks to Brett and his team for pulling the Expo together
  - Generated a great deal of interest and excitement
  - Well-received by those in attendance
  - Opportunity to discuss velocity of change
  - Thanks to Grant and Douglas PUDs for cosponsoring
- Election of 2024 Officers

Moved by: Commissioner Arseneault

Seconded by: Commissioner McKenna

To approve the slate of officers for a one-year term as follows:

Steve McKenna, President; Garry Arseneault, Vice-President; Kelly Allen, Secretary

Approved: 4 in favor, Commissioner Bergren abstained

- Board Workshop

**MOTION**

Moved by: Commissioner McKenna

Seconded by: Commissioner Arseneault

To set the following special meetings:

To set a special meeting on Tuesday, February 6, 2024 @ 9:00am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding a Board Workshop

Approved: Unanimously

**Follow up on Delegation of Action Items from 12/6/23 Board meeting**

- None

**Delegation of Action Items**

- None

**Executive Session**

President Smith convened an executive session at approximately 2:00pm 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) and 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) for approximately 45 minutes.

**Regular Session Reconvened at 2:40pm**

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

There being no other business, the meeting adjourned at 2:40pm.

  
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President

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Vice President

  
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Secretary

  
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Commissioner

  
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Commissioner