

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

Guests present: Therese Hampton, Steve Kerns – Public Generating Pool (PGP)
Mike Kaputa, Lisa Dowling, Kevin Overbay – Chelan County
Herb Gardner – Malaga-Colockum Council

Call to Order

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

Pledge of Allegiance and Safety/HPI Minute

- Salim Qazi, Senior Project Manager, led the pledge and provided information on safe winter driving

Agenda

- Resolutions 15, 16, and 17 were moved to the consent agenda; the agenda was approved as revised

Cycle of Personal Ownership (CPO) Winner Recognition

(see Chelan PUD website for presentation)

- Steve Wright, General Manager, recognized November winner Brenda Guske, Contract Specialist II

Regional Transmission Organization (RTO) Value Study

(see Chelan PUD website for presentation)

- Therese Hampton and Steve Kerns from Public Generating Pool (PGP) reviewed the market evaluation study
- Steve Wright, General Manager, noted the value of PGP's work
- Provided an overview of a recent study assessing one element of benefit to PGP members of an expanded organized market
- Reviewed market drivers, market functions of an RTO, results from state-led market study, and the PGP market evaluation study purpose and general fundings

Long Term Marketing Strategy Update: Cost Plus

(see Chelan PUD website for presentation)

- Shawn Smith, Managing Director of Energy Resources, updated Commissioners on the long-term marketing strategy cost of production plus (COP+) contract highlights and portfolio impacts
- 10 days' notice are required by state statute before entering into this type of contract
- Robb Davis, Staff Attorney, reviewed Resolution 21. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN EXTENDED DURATION POWER SALES AGREEMENT
- The resolution will be considered for adoption at the December 30, 2021 board meeting

Pre-Legislative Update

(see Chelan PUD website for presentation)

- Shaun Seaman, Government and External Affairs Program Manager, gave an update on the upcoming legislative session including:
 - Legislative session overview, new 12th legislative district, legislative priorities, federal funding, Governor Inslee's 2022 climate package, and telecom issues

Commissioner District Boundaries

(see Chelan PUD website for presentation)

- Daniel Appel, Staff Attorney, reviewed proposed Commissioner district boundaries based on 2020 census data
- Reviewed statute information, process, plan and recommendation, and next steps
- Expressed thanks to Chelan County Auditor, Skip Moore, who led the coordination of this effort
- Recommendation is to adopt the same, existing boundaries for Commissioner Districts 1, 2, 3 and A and B
- A public hearing is scheduled on December 30, 2021

Manager Items

- Ian Fitzgerald, Chief Technology Officer, Chad Bowman, Director of Transmission and Compliance, and Neil Neroutsos, Communications Manager, provided an overview of the outage management system and public outage portal
 - Reviewed benefits of the advanced distribution management system (ADMS) and how those will improve customer-owners' experience
 - The public outage portal will be available in the spring after testing is completed
- Steve Wright, General Manager, gave an update on the EV rate process
 - Comments received have been reviewed and responded to individually
 - Notification to the two entities impacted by this rate change were not received; staff will confirm that those entities are informed and given the chance to comment before bringing the rate back to Commissioners for consideration

Recess at 11:53am, Reconvene at 1:00pm

Public Hearings

- Public hearings started at 1:01pm
- 2022-2023 Conservation Targets
 - Andrew Grassell, Energy Development and Conservation Manager, noted that the plan assessment was presented previously; no public comments have been received to date
- Clean Energy Implementation Plan (CEIP)
 - Janet Jaspers, Director of Energy Operations Planning and Trading, reported on two public comments received
- 2021 Integrated Resource Plan

- Becky Keating, Senior Analyst, noted that the initial analysis and draft plan were presented previously; no public comments have been received to date
- Public hearings ended at 1:09pm

Consent Agenda

(see Chelan PUD website for resolutions)

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

- Minutes of the November 30, 2021 Special Meeting and December 6, 2021 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated December 15, 2021:
 - Vouchers totaling \$33,261,556.79;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period December 1, 2021 through December 14, 2021 in the amount of \$42,189.63.
 - Approval of the net Payroll, Warrant Nos. 237684 through 237695 and Advice Nos. 726255 through 727014 for the pay period ending December 5, 2021 in the amount of \$2,196,979.09.
 - Approval of Warrant Nos. 28121 through 28155 totaling \$12,189.63 for claim payments from the workers' compensation self-insurance fund for the period ending December 13, 2021.
- Resolution 15. A RESOLUTION AUTHORIZING AMENDMENT NO. 11 TO SERVICES AGREEMENT (SA NO. 13-058) WITH THYSSENKRUPP ELEVATOR CORPORATION TO PROVIDE MAINTENANCE OF THE DISTRICT'S ELEVATOR EQUIPMENT
- Resolution 16. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 4 AND 5, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES
- Resolution 17. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 21-11664) WITH DARKTRACE HOLDINGS LIMITED OF THE UNITED KINGDOM FOR DARKTRACE CYBER DEFENSE PLATFORM AS A SERVICE

MOTION

Moved by: Commissioner McKenna

Seconded by: Commissioner Bolz

To accept the consent agenda as modified to include Resolutions 15, 16, and 17

Approved: Unanimously

Resolutions 18, 19, and 20

(see Chelan PUD website for resolutions)

- These resolutions are related to this afternoon's public hearings
- Resolution 18. A RESOLUTION APPROVING THE DISTRICT'S 2021 INTEGRATED RESOURCE PLAN
- Resolution 19. A RESOLUTION ESTABLISHING THE DISTRICT'S 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET FOR 2022-23 AS REQUIRED UNDER RCW CHAPTER 19.285
- Resolution 20. A RESOLUTION APPROVING THE DISTRICT'S 2021 CLEAN ENERGY IMPLEMENTATION PLAN

MOTION

Moved by: Commissioner Congdon

Seconded by: Commissioner Arseneault

To approve Resolutions 18, 19, and 20 as presented

Approved: Unanimously

Malaga Park Feasibility Study Update

(see Chelan PUD website for presentation)

- Mike Kaputa, Lisa Dowling, and Kevin Overbay, from Chelan County, and Herb Gardener from the Malaga-Colockum Council reviewed the feasibility study completed for a park near Malaga

- This is a partnership between Chelan County, Malaga-Colockum Council and the PUD to establish a park in Malaga as an early action project; the County supports a 50 year license for Rock Island
- A park has been a long-standing priority for the Malaga community
- Reviewed site study purpose and goals, process timeline, site suitability analysis components, community engagement and feedback and site study locations as well as discussed funding strategy

Commission Items

- Commissioner Years of Service Awards
 - Commissioners Congdon and Arseneault were recognized for 15 years and 5 years of service, respectively
- Election of 2022 Officers

MOTION

Moved by: Commissioner Bolz

Seconded by: Commissioner Congdon

To elect 2022 Officers – President Steve McKenna, Vice President Ann Congdon, and Secretary Garry Arseneault

Approved: Unanimously

 - Commissioners thanked Commissioner Smith for his leadership as President
- Amendment to Steve Wright's Contract
 - Extends Steve's employment through June 30, 2022 in the position of Senior Policy Advisor to the General Manager
 - Steve will be on PL until and unless requested by Kirk; when requested, Steve will be on regular time under the District time recording policies
 - All additional benefits conferred through Steve's current contract are removed after the first of the year
 - Steve has the option to terminate the contract at any time for any reason

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Congdon

To approve the Second Amendment to Steve Wright's Employment Agreement, extending his employment with the District in the position of Senior Policy Advisor to the General Manager through June 30, 2022, as described

Approved: Unanimously

Follow up on Delegation of Action Items from 11/15/21 Board meeting

- Andrew Grassell will categorize comments received on the electric vehicle DC fast charging rate for Commissioners to consider prior to the next meeting – reported today during Manager Items

Follow up on Delegation of Action Items from Previous Board meetings – all resolved by email on 12/16/21

- Justin Erickson will consider surplus County properties and determine if any would be viable for substations with specific emphasis on sites near Malaga
- Andy Wendell will provide additional information on the average commercial bills broken out for small and large customers
- Robb Davis will find ways to connect our conservation programs to Chelan County Housing Trust organizations
- Steve Wright will provide a comparison of 2019 to 2020 EOY performance plan results
- Steve Wright will develop an outreach strategy to work with Chelan County and the National Park Service regarding Stehekin
- Justin Erickson will notify Commissioners of the Chelan trail expansion grand opening
- Erik Wahlquist will set a meeting with Commissioners Smith and McKenna to review the governance policies to determine if any changes should be proposed for board consideration at the fall board workshop
- Erik Wahlquist and Rebekah Neumann will develop a guidance list of GM commitments to the Board

Delegation of Action Items

- Rebekah Neumann will provide a hard copy of today's PGP presentation to all Commissioners – completed 12/20/21

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 evaluate the qualifications of an applicant for public employment or to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 60 minutes.

Regular Session Reconvened at 2:56pm

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

There being no other business, the meeting adjourned at 2:56pm.

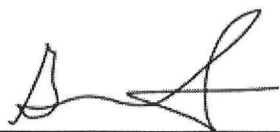
President

Vice President

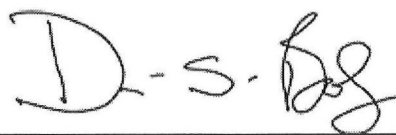
Secretary

Commissioner

Commissioner



Garry Arseneault - Board Member
Approved on 1/12/2022 2:28PM PST



Dennis Bolz - Board Member
Approved on 1/11/2022 5:53PM PST



Ann Congdon - Board Member
Approved on 1/11/2022 4:52PM PST



Steve McKenna - Board Member
Approved on 1/13/2022 8:36AM PST



Randy Smith - Board Member
Approved on 1/12/2022 6:56AM PST