

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
203 OLDS STATION ROAD
WENATCHEE WA 98801**

REGULAR COMMISSION MEETING

APRIL 15, 2024

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/H&OP Minute – Rob Witham
2. Approval of the Agenda
3. CPO Winner Recognition
4. Quarterly Board Balanced Scorecard Status Update
5. Public Power Benefit 2024 Funding Allocation
6. PPB Fiber Program Update
7. Business Planning Approach
8. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda

BUSINESS SESSION

1:00PM

Consent Agenda

9. Minutes of the April 1, 2024 Regular Meeting
10. Vouchers: Accounts Payable Summary Report dated April 09, 2024:
 - a. Vouchers totaling \$10,836,150.84;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 26, 2024 through April 08, 2024 in the amount of \$164,715.34.
 - c. Approval of the net Payroll, Warrant Nos. 238413 through 238426 and Advice Nos. 774787 through 775617 for the pay period ending March 24, 2024 in the amount of \$2,666,630.90.

- d. Approval of Warrant Nos. 31073 through 31154 totaling \$47,198.60 for claim payments from the workers' compensation self-insurance fund for the period ending April 08, 2024.
- e. Approval of Parks Reservation System customer refunds for the period March 26, 2024 through April 08, 2024 in the amount of \$2,100.00.

Regular Agenda

- 11. Riverfront Park Project Updates
- 12. A RESOLUTION AMENDING THE DISTRICT'S WATER RATE SCHEDULES TO ESTABLISH A RATE EQUALIZATION CHARGE SPECIFIC TO WATER CUSTOMERS WITHIN THE PESHASTIN WATER SYSTEM SERVICE AREA
- 13. A RESOLUTION DECLARING SOUTHERN STATES LLC OF GEORGIA AS THE SOLE SOURCE SUPPLIER OF CSH-B 245KV CIRCUIT SWITCHER 6-900 FOR USE AT THE SUMMIT OF STEVENS PASS
- 14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SELL A 5.6 ACRE PARCEL OF REAL PROPERTY IN DOUGLAS COUNTY, WASHINGTON, LOCATED ALONG US HIGHWAY 2 NEAR ROCKY REACH DAM, TOGETHER WITH AN ACCESS EASEMENT, TO PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
- 15. Manager Items
- 16. Commission Items
 - a. Special Meetings:
Proposed motion: To set two special meetings on Friday, May 17, 2024 and Friday, May 24, 2024. Both meetings to be held @ 9:00am at Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding Board Workshops
- 17. Follow-up on Delegation of Action Items from Previous Board Meeting
- 18. Delegation of Action Items
- 19. Additional Public Comment
- 20. Matters of general business as may necessarily come before the Commission

REGULAR COMMISSION MEETING AGENDA

April 15, 2024

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21. Executive Session: 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 ___ minutes

This agenda and resolutions (if any) may be revised by the Commission as appropriate.

RESOLUTION NO. _____

A RESOLUTION AMENDING THE DISTRICT'S WATER RATE SCHEDULES TO ESTABLISH A RATE EQUALIZATION CHARGE SPECIFIC TO WATER CUSTOMERS WITHIN THE PESHASTIN WATER SYSTEM SERVICE AREA

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County ("District"), in compliance with RCW 54.24.080, is required to establish, maintain, and collect rates and charges for electric energy and water and other services, facilities, and commodities sold, furnished, or supplied by the District.

Pursuant to RCW 54.16.030, the District has the authority to acquire and operate waterworks and irrigation plants and systems for the purpose of furnishing inhabitants of the District's service territory with water for all uses. In response to a request made by the Peshastin Water District ("PWD") that the District acquire and operate the PWD systems, the District Commissioners authorized the General Manager to negotiate and execute a water system transfer agreement with the PWD. The agreement was executed in September 2023 and officially closed on March 26, 2024.

Terms of the agreement specified that the District would not pay any monetary consideration for acquiring the assets of PWD but would pay outstanding PWD liabilities that encumbered the assets transferred to the District, and these liabilities would remain the obligation of the PWD service area. The acquisition created two potential funding needs: replacement of prior outstanding PWD external loans that were funded through small and large warehouse surcharges; and a strategy to fund construction costs for future planned capital projects. On December 18, 2023, staff presented initial internal loan terms and rate adder options to cover the funding needs.

On January 17, 2024, staff hosted a public information meeting in Peshastin to present to the PWD community members staff's initial recommendation for a rate adder that would offset the costs of an internal loan for future planned capital improvements. A public rate hearing was held at the District's Service Center on January 22, 2024.

On February 5, 2024, the board authorized, via Resolution No. 24-14858, a loan from the Financing Facilities System to retire and replace prior outstanding PWD external loans in an amount not to exceed \$1,040,000 with a loan term of 10 years. The debt service for the internal loan will be supported through the assessment of small and large Warehouse Tank Surcharges established via Resolution No. 24-14857. Commissioners directed staff to continue to pursue additional options for

planned capital project funding and rate adders to be presented at the next regularly scheduled board meeting.

On March 18, 2024, staff presented an alternative funding option that would minimize impacts to the customers served by the Peshastin water system while proactively generating cash flow to contribute to the future planned capital projects. Staff's proposal included the development of a rate equalization charge that would cause revenue, on a customer class basis, to approximate the PWD's previously adopted revenue forecast and rate plan.

After hearing staff's presentation, the Commission adopted the following motion during the March 18, 2024 meeting directing staff to:

Establish a rate equalization charge, to be effective June 1, 2024, for all customers within the Peshastin Water District service area such that the monthly revenue from each customer class is expected to be approximately the same as under the Peshastin Water District's current rate schedules, and to design the rate equalization charge to approximate the expected revenue in the 2021 rate plan approved by the Peshastin Water District over the next three years.

In accordance with the Commission's direction, staff developed monthly charges to apply equally to each customer in the same class in the Peshastin water system. District staff recommends that it is in the best interest of the District to amend the Water Rate Schedules to include the rate equalization charge as described herein.

The General Manager has reviewed staff's recommendation and concurs in the same.

After fully considering the public presentations by staff, comments from members of the public including Peshastin water customers, and the Staff Report, the Commission concurs with staff's recommendation.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. Requirements for meetings and notices as established by Resolution No. 18-14256 have been met and exceeded.

Section 2. The water rates set forth in Exhibit "A" attached hereto are determined to be fair, reasonable, necessary, and non-discriminatory. Effective June 1, 2024, the District's Water Rate Schedules shall be amended by adding a monthly rate equalization charge for the customers within the Peshastin Water system service area as described herein.

Section 3. The adoption of this rate resolution is not a major act under the State Environmental Policy Act (SEPA), and as such is categorically exempt under SEPA guidelines, WAC 197-11-800(14)(i).

Section 4. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

Dated this 15th day of April 2024.

	_____ President
ATTEST:	
_____ Vice President	_____ Secretary
_____ Commissioner	_____ Commissioner
Seal	

ATTACHMENT “A”

Water Rate Schedules

Residential Water Service

District Water Systems (Wenatchee, Squilchuck, Dryden, Ollalla, Peshastin, and Chelan Ridge)

Basic Monthly Charge – Residential Service (per meter size)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
5/8"	\$33.30	\$34.65	\$36.00	\$37.40	\$38.90	\$40.50
1"	\$40.00	\$41.60	\$43.20	\$44.90	\$46.70	\$48.60
1 ½"	\$53.30	\$55.40	\$57.60	\$59.80	\$62.20	\$64.80
2"	\$73.30	\$76.20	\$79.20	\$82.30	\$85.60	\$89.10
3"	\$239.80	\$249.50	\$259.20	\$269.30	\$280.10	\$291.60

Residential Quantity Rate (Per 1,000 gallons, per month)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
First 3,000	\$2.65	\$2.75	\$2.85	\$3.00	\$3.10	\$3.20
3000 – 10,000	\$3.50	\$3.65	\$3.80	\$3.95	\$4.10	\$4.25
Over 10,000	\$4.35	\$4.50	\$4.70	\$4.90	\$5.10	\$5.30

A rate discount is available to all qualifying low-income seniors 62 years and older and low-income disabled as provided for in State of Washington R.C.W. 74.38.070. The rate discount will not exceed the amount of the monthly bill and will be applied to one residential water account only.

Residential Water Discount						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
Discount	\$9.50	\$9.90	\$10.30	\$10.70	\$11.10	\$11.55

QUALIFYING CRITERIA FOR LOW-INCOME SENIORS

1. Age 62 years or older prior to or during the month in which the discount is to apply.
2. Total household income including his or her spouse or co-tenant does not exceed the amount specified in R.C.W. 84.36.381 (5)(b).
3. Ownership or occupancy as head of household residing therein at certain property being served water within the District’s service area.

LOW-INCOME DISABLED

1. Physical disability prior to application.
2. Special parking privileges as defined in State of Washington R.C.W. 46.19.010 or a blind person as defined in R.C.W. 74.18.020.
3. Household income does not exceed 125% of Federal Poverty Income Guidelines.
4. Ownership or occupancy as head of household residing therein at certain property being served water within the District’s service area.

Commercial and Industrial Services

District Water Systems (Wenatchee, Squilchuck, Dryden, Ollala, Peshastin, and Chelan Ridge)

Basic Monthly Charge – Commercial and Industrial Service (per meter size)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
5/8"	\$60.00	\$62.00	\$64.50	\$67.00	\$70.00	\$73.00
1"	\$72.00	\$74.00	\$77.00	\$80.00	\$84.00	\$88.00
1 ½"	\$90.00	\$93.00	\$97.00	\$101.00	\$105.00	\$110.00
2"	\$132.00	\$136.00	\$142.00	\$147.00	\$154.00	\$161.00
3"	\$432.00	\$446.00	\$464.00	\$482.00	\$504.00	\$526.00
4"	\$546.00	\$564.00	\$587.00	\$610.00	\$637.00	\$664.00
6"	\$804.00	\$836.00	\$869.00	\$904.00	\$940.00	\$978.00
8"					\$1,312.00	\$1,367.00

Commercial and Industrial Quantity Rate (Per 1,000 gallons, per month)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
Per 1,000	\$3.35	\$3.50	\$3.65	\$3.80	\$3.95	\$4.10

ADDITIONAL RATE LINE ITEMS

Each Additional Unit Monthly Charge						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
Per Month	\$21.00	\$21.85	\$22.75	\$23.70	\$24.50	\$25.50

Chelan Ridge privately owned lots (no meter)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
Per Month	\$33.00	\$34.50	\$35.90	\$37.30	\$38.80	\$40.40

Peshastin Industrial Monthly Tank Surcharge*						
					3/1/2024	6/1/2024
Small Warehouse					\$210.36	\$210.36
Large Warehouse					\$5,721.36	\$5,721.36

Monthly Rate Equalization Charge – Peshastin Water System customers				
		6/1/2024	6/1/2025	6/1/2026
Residential		\$3.00	\$6.00	\$9.00
Commercial and Industrial (excluding 8")		\$7.00	\$15.00	\$24.00
Commercial and Industrial (8" meter only)		\$600.00	\$800.00	\$1,000.00

Fire Sprinkler Service Rate

DISTRICT SYSTEMS WENATCHEE; SQUILCHUCK; PESHASTIN; AND DRYDEN

Monthly Charge (per connection size)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
2"	\$31.00	\$32.00	\$33.50	\$35.00	\$36.50	\$38.00
3"	\$42.50	\$44.00	\$46.00	\$48.00	\$50.00	\$52.00
4"	\$53.00	\$55.00	\$57.00	\$59.00	\$61.00	\$63.50
6"	\$106.00	\$110.00	\$115.00	\$120.00	\$125.00	\$130.00
8"	\$160.00	\$166.00	\$173.00	\$180.00	\$187.00	\$195.00
10"	\$212.00	\$220.00	\$229.00	\$238.00	\$245.00	\$255.00
12"	\$265.00	\$276.00	\$287.00	\$298.00	\$310.00	\$322.00

Fire Sprinkler Quantity Rate (Per 1,000 gallons, per month)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
Per 1,000	\$3.35	\$3.50	\$3.65	\$3.80	\$3.95	\$4.10

Private Fire Hydrant Service Rate

DISTRICT SYSTEMS WENATCHEE; SQUILCHUCK; DRYDEN; PESHASTIN; AND CHELAN RIDGE

Private Fire Hydrant Service Rate (per month)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
Each	\$12.50	\$13.00	\$13.50	\$14.00	\$14.50	\$15.00

Hydrant Valve Charges

DISTRICT SYSTEMS WENATCHEE; SQUILCHUCK; PESHASTIN; AND CHELAN RIDGE

Hydrant Valve Charges Daily Use Charge (valve plus water)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
District owned	\$19.65	\$20.40	\$21.20	\$22.00	\$22.80	\$23.75
Customer owned	\$19.65	\$20.40	\$21.20	\$22.00	\$22.80	\$23.75

Fire Hydrant Use plus water						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
District owned	\$19.65	\$20.40	\$21.20	\$22.00	\$22.80	\$23.75
Customer owned	\$19.65	\$20.40	\$21.20	\$22.00	\$22.80	\$23.75

Water Quantity Rate (Per 1,000 gal, per month)						
	4/1/2019	12/1/2020	6/1/2021	6/1/2022	6/1/2023	6/1/2024
Per 1,000	\$3.35	\$3.50	\$3.85	\$3.80	\$3.95	\$4.10

TAX ADJUSTMENT:

The amount of tax levied by any city or town in accordance with R.C.W. 54.28.070, of the Laws of the State of Washington, will be added to all applicable charges for water sold within the limits of any such city or town.

SERVICE POLICY:

Service under this schedule is subject to the rules and regulations as defined in the District's Utility Service Regulations.

EFFECTIVE: February 18, 2020

AMENDED: April 15, 2024

Chelan Falls Water System

This system is owned by the Chelan Falls Water District and is operated and maintained by Chelan County Public Utility District.

Residential, Commercial and Industrial Service

RATE SCHEDULES RESIDENTIAL (611); COMMERCIAL (621); AND INDUSTRIAL (631)

Chelan Falls Water Rates (Basic charge, per month)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
Residential	\$44.72	\$45.35	\$45.95	\$46.65	\$47.30	\$48.05
Commercial	\$100.61	\$104.65	\$108.80	\$113.15	\$117.70	\$122.40
Industrial	\$1,117.95	\$1,162.65	\$1,209.20	\$1,257.55	\$1,307.85	\$1,360.15
Residential Quantity Rate (per 1,000 gallons, per month)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
First 3,000	\$0.94	\$1.05	\$1.15	\$1.25	\$1.40	\$1.50
3,001 to 10,000	\$1.19	\$1.30	\$1.45	\$1.60	\$1.75	\$1.90
Over 10,000	\$1.77	\$1.95	\$2.15	\$2.40	\$2.60	\$2.85
Commercial and Industrial Quantity Rate (per 1,000 gallons, per month)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
Per 1,000	\$0.94	\$1.30	\$1.45	\$1.60	\$1.75	\$1.90
Additional Units (per month)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
Each	\$24.70	\$25.70	\$26.70	\$27.80	\$28.90	\$30.05

RATE DISCOUNT:

A rate discount is available to all qualifying low-income seniors 62 years and older and low-income disabled as provided for in State of Washington R.C.W. 74.38.070. The rate discount will not exceed the amount of the monthly bill and will be applied to one residential water account only. See page 2 for qualifying criteria.

Residential Water Discount						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
Discount	\$13.75	\$14.30	\$14.85	\$15.45	\$16.10	\$16.70

Chelan Falls Hydrant Valve Charges

Water consumption will be charged at the commercial quantity rate charged for the system it is used on.

RATE SCHEDULES DISTRICT (641); CUSTOMER (642); AND INTER-DEPT (643)

Hydrant Valve Charges Daily Use Charge (Valve plus water)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
District owned	\$10.00	\$10.50	\$11.00	\$11.50	\$12.00	\$12.50
Customer owned	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Fire Hydrant Use plus Water						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
District owned	\$10.00	\$10.50	\$11.00	\$11.50	\$12.00	\$12.50
Customer owned	\$10.00	\$10.50	\$11.00	\$11.50	\$12.00	\$12.50

Fire Sprinkler Service Rate

RATE SCHEDULE 681

Fire Sprinkler Service Monthly Charge (per connection size)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
2"	\$44.72	\$46.50	\$48.35	\$50.30	\$52.30	\$54.40
3"	\$61.44	\$63.90	\$66.45	\$69.10	\$71.90	\$74.75
4"	\$76.84	\$79.90	\$83.10	\$86.45	\$89.90	\$93.50
6"	\$153.42	\$159.50	\$165.95	\$172.60	\$179.50	\$186.65
8"	\$230.56	\$239.80	\$249.35	\$259.35	\$269.70	\$280.50
10"	\$306.80	\$319.05	\$331.85	\$345.10	\$358.90	\$373.25

Fire Sprinkler Quantity Rate (per 1,000 gal)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
Per 1,000	\$5.18	\$5.40	\$5.60	\$5.85	\$6.05	\$6.30

Private Fire Hydrant Service Rate

RATE SCHEDULE 682

Private Fire Hydrant Service Rate (per month)						
	12/31/2021	6/1/2022	6/1/2023	6/1/2024	6/1/2025	6/1/2026
Each	\$18.02	\$18.75	\$19.50	\$20.25	\$21.10	\$21.90

TAX ADJUSTMENT:

The amount of tax levied by any city or town in accordance with R.C.W. 54.28.070, of the laws of the State of Washington, will be added to the above charges for water sold within the limits of any such city or town.

SERVICE POLICY:

Service under this schedule is subject to the rules and regulations as defined in the District's Utility Service Regulations.

EFFECTIVE: April 19, 2022 by Resolution 22-01

Rate increases are approved by Chelan Falls Water District's Board of Commissioners, Clyde McCullough, president

Resolution History

Resolution No.	Date	Description
91-9122	December 1, 1991	All Systems
93-9579	May 1, 1993	All Systems
CFWD 93-1	June 8, 1993	Chelan Falls
97-10658	February 3, 1997	Chelan Ridge
98-10970	March 30, 1998	Ollala Canyon, Dryden, Wenatchee
Commission Motion	October 1, 1998	Squilchuck Debt Service Adjustment
99-11350	December 20, 1999	All Systems
00-11626	December 4, 2000	All Systems
01-11764	April 23, 2001	All Systems
02-12057	April 1, 2002	All Systems, except Chelan Falls
03-12467	December 8, 2003	All Systems, except Chelan Falls
CFWD 07-03	March 6, 2007	Chelan Falls
07-13162	September 10, 2007	All District Owned Systems
08-13395	October 27, 2008	All District Owned Systems
11-13624	February 7, 2011	All District Owned Systems
CFWD 12-1	February 7, 2012	Chelan Falls
12-13708	March 5, 2012	All District Owned Systems
14-13860	March 3, 2014	All District Owned Systems
15-13975	August 17, 2015	All District Owned Systems
CFWD 15-1	October 20, 2015	Chelan Falls
17-14167	August 21, 2017	All District Owned Systems
20-14424	February 18, 2020	All District Owned Systems
20-14444	April 13, 2020	All District Owned Systems
22-01	April 19, 2022	Chelan Falls
24-14857	February 5, 2024	Peshastin Water System Tank Surcharges
TBD	April 15, 2024	Peshastin Water System

RESOLUTION NO. _____

A RESOLUTION DECLARING SOUTHERN STATES
LLC OF GEORGIA AS THE SOLE SOURCE SUPPLIER
OF CSH-B 245kV CIRCUIT SWITCHER 6-900 FOR USE
AT THE SUMMIT OF STEVENS PASS

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District determined the need for a CSH-B 245 kV Circuit Switcher 6-900 to replace the existing one located at the Summit of Stevens Pass, which was custom built by Southern States, LLC in 2004 to fit on a 50-foot tall support structure required to maintain adequate clearance from snow and surrounding forest.

District staff have determined that only Southern States, LLC can manufacture this custom-built circuit switcher and operating mechanism, which will allow a replacement without the need for costly redesign and reconfiguration of the structural and electrical elements necessary to safely and reliably operate a different type of circuit switcher at this location.

Pursuant to RCW 54.04.070 and 39.04.280, the District may, when there is clearly and legitimately a sole source of supply, waive the statutory competitive bidding requirements otherwise applicable to the purchase of equipment. Resolution No. 17-14215 requires that a declaration for sole source purchases over the statutory limits (\$60,000 per month) must come before the Commission for action.

District staff has determined that it would be in the best interest of the District to designate Southern States, LLC as the sole source supplier for CSH-B 245kV Circuit Switcher 6-900 in an amount not to exceed \$158,200 (exclusive of freight charges, which will be reimbursed at cost). Staff also recommends that the competitive bidding requirements of RCW 54.04.070 be waived.

The General Manager has reviewed staff's recommendations and concurs in the same.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY
DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The Commission declares Southern States, LLC to be the sole source supplier for CSH-B 245kV Circuit Switcher 6-900.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Southern States, LLC as the sole source supplier for CSH-B 245kV Circuit Switcher 6-900.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with Southern States, LLC for the purchase of CSH-B 245kV Circuit Switcher 6-900 at a cost not to exceed \$158,200 (exclusive of freight charges, which will be reimbursed at cost) without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 15th day of April 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SELL A 5.6 ACRE PARCEL OF REAL PROPERTY IN DOUGLAS COUNTY, WASHINGTON, LOCATED ALONG US HIGHWAY 2 NEAR ROCKY REACH DAM, TOGETHER WITH AN ACCESS EASEMENT, TO PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Public Utility District No. 1 of Chelan County (District) is a Washington municipal corporation authorized under the laws of the State of Washington, RCW 39.33.010, to sell real property to the state or any municipality or any political subdivision thereof, on such terms and conditions as may be mutually agreed upon by the proper authorities of the subdivisions concerned.

The Public Utility District No. 1 of Douglas County (Douglas) has a need to acquire property to site a substation in the vicinity of its Rocky Reach switchyard and existing transmission lines.

In 2021, the District and Douglas were aware of Washington State Department of Transportation's (WSDOT) pending surplus of undeveloped right-of-way near Rocky Reach dam. Both District and Douglas had interest in acquiring portions of the WSDOT property to meet their respective needs. However, WSDOT would sell the entirety of the surplus parcel to only one entity, and the District had the first option as the adjoining owner. The District and Douglas entered into an interlocal agreement in 2021, setting forth the parties' desire to work cooperatively so that Douglas could acquire the property it needed after the District's acquisition from WSDOT.

The District completed the acquisition from WSDOT in December 2022. The District and Douglas have since worked together and completed the process to segregate a 5.6 acre parcel (Subject Property) generally located under two of Douglas' existing transmission lines. The legal description for the Subject Property is on file in the District's offices. The sale price of \$186,000 is market value, established by appraisal. Access to the Subject Property will be by easement on a portion of Lincoln Rock Rd.

Staff recommends the District approve the sale of the Subject Property to Douglas. The General Manager has reviewed staff's recommendation and concurs in the same.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The Board of Commissioners hereby authorizes the sale of the Subject Property to Douglas for \$186,000, and authorizes the District’s General Manager, or designee, to take such further steps as may be required to complete the sale to Douglas.

Dated this 15th day of April, 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L