

**Minutes of the Regular Commission Meeting of
Public Utility District No. 1 of Chelan County, Washington
March 18, 2024**

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 March 18, 2024, at the hour of 10:00 am, pursuant to proper notice.

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

Staff present: Kirk Hudson, General Manager
Charles von Reis, Acting General Counsel
Teresa Boushay, Acting Clerk of the Board
Various staff

Others present: Steve Keene, Ray Schmitten, Shawn Cox

Call to Order

- Vice-President Arseneault called the meeting to order at 10:05am

Pledge of Allegiance and Safety/HPI Minute

- Kyle Schuttie, Service Desk Supervisor, led the pledge and provided information on the importance of personal protective equipment, hydration, and being aware of environmental hazards

Agenda

- Resolution 11 was moved to the consent agenda; the agenda was approved as revised

Peshastin Water District (PWD) System Transfer

- Cathy Melton, Customer Service Program Analyst, and Heather Ireland, Director Treasury, gave an update on the Peshastin Water District system transfer
- Reviewed progress to date
- Proposed next steps – rate equalization charge
- What customers can expect
 - After June 1, 2024, monthly bills will remain similar to what they've experienced and what was planned by PWD
 - Rate equalization charge will be included in annual Fees & Charges review process
 - High level of service provided by Chelan PUD
- Public comment
 - Steve Keene, PWD, expressed that the rate equalization charge would likely be acceptable to customers, but wondered if the complexity of the issue is worth the effort of changing the rate

- Shawn Cox, Peshastin Hi-Up, noted that the current plan with an equalization charge makes sense, but wants certainty around when it will end; three years is fair
- Ray Schmitt, BlueBird, can manage the charge for 3 years, but also wants certainty of an end date
- Carnan Bergren, speaking as a public citizen because he recused himself, provided historical information on the acquisition

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner McKenna

To direct 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

Approved: 3 in favor, 1 opposed, Commissioner Bergren abstained

AMENDMENT

Moved by: Commissioner Allen

To extend the length of time for the equalization charge to six years

No second, amendment dies

Commissioner McKenna left at this time

Quarterly Electrical Load Growth

- Andy Wendell, Director Customer Service/Stakeholder Outreach, and Lyle Moore, Customer Service Engineering Supervisor, reviewed quarterly load growth information
- Lyle and Chad Rissman will be taking over the quarterly presentation as Andy prepares for retirement
- Slower new construction of residential homes in Q1 2024
- New development planning occurring in Entiat, Chelan and Wenatchee
- Reduced forecast of new electrical meters to ~700 in 2024
- New electrical vehicle charging station infrastructure emerging in all areas
- No material shift away from substation build plan
- Planned utility infrastructure investments are positioned well to meet demands of growth in water, electric, wastewater, and fiber
- John Stoll, Managing Director Customer Utilities, noted that we must speed up the substation build process, perhaps building several substations at once
 - Expect more activity on the substations and information on that during future updates

Legislative Session Update

- Tracy Yount, Director Strategic Affairs, and Kelli Scott, Government/External Affairs Program Manager, gave an update on legislative session items
- Thirteen districts have been impacted during recent redistricting
 - Senator Hawkins has already shared that he plans to move into the new district
 - Cascading effects of these changes are unknown
 - Douglas county will be part of the 7th District, represented by Senator Short
- Reviewed session overview, priority bill status, other bills of interest, budget highlights and a look ahead
 - 60-day session ended on schedule
 - Supplemental budgets approved: \$71.9B operating, \$14.6B transportation, and \$10.3B capital
 - Most bills effective June 5

Parks Update

- Ryan Baker, Parks Manager, gave an update on Parks and Lands and shared the new trail awareness video
- Parks are highly valued by customer-owners and other users
- Proactive approach to address increased park usage and trends
- Significant upgrades to park infrastructure occurring in 2024 and 2025
- Resource protection of our shoreline and assets remain a top priority
- Focus on collaboration with our operating and municipal partners

Recess @ 12:08pm, Reconvene @ 1:00pm

Fifth Street Association

- Daniel Appel, Staff Attorney, reviewed covenants, conditions, and restrictions for the 5th Street property
- During the development control period the District controls the association
- After the development control period the members (property owners) control association

Consent Agenda

Vice-President Arseneault presented the consent agenda, which included the following items:

- Minutes of the March 4, 2024 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated March 12, 2024:
 - Vouchers totaling \$14,504,682.25;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 27, 2024 through March 11, 2024 in the amount of \$43,845.96.
 - Approval of the net Payroll, Warrant Nos. 238390 through 238399 and Advice Nos. 773126 through 773948 for the pay period ending February 25, 2024 in the amount of \$2,544,553.63.
 - Approval of Warrant Nos. 30905 through 30974 totaling \$22,119.49 for claim payments from the workers' compensation self-insurance fund for the period ending March 11, 2024.
 - Approval of Parks Reservation System customer refunds for the period February 27, 2024 through March 11, 2024 in the amount of \$630.00.
- Resolution 11. A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO SERVICES AGREEMENT (SA NO. 22-12654) WITH WILLAMETTE CULTURAL RESOURCES ASSOCIATES TO PROVIDE VARIOUS CULTURAL RESOURCES SUPPORT TO THE DISTRICT

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Smith

To approve the consent agenda as revised to include Resolution 11

Approved: Unanimously

Resolution 12

- Dorothy Claymore, Technology Programs Manager III, presented Resolution 12
- Resolution 12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 23-12806) WITH OVERIT INTERNATIONAL INC. OF MIAMI, FL FOR A FIELD SERVICE MANAGEMENT SOLUTION

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve Resolution 12 as presented

Approved: Unanimously

Manager Items

- John Stoll and Ian Fitzgerald, Chief Technology Officer, gave an update on the recent billing disruption
 - Lot of staff working hard on this; on Friday we had caught up on all billings in the system
 - Working with a printer, who is still working on releasing bills in batches
 - Highlighted staff that stepped into various roles to manage this issue
 - Unfortunately, customers will receive the late bill and then another bill on the regular cycle; ask for customer’s patience with this process
 - Ian noted there’s a lot of capacity being taken away from regular work; will be pushing some projects off to make sure this is resolved for customers
- Alene Underwood, Director Natural Resources, invited Commissioners to the 20-year Habitat Conservation Plan (HCP) celebration to be held on March 29, 2024 at Rocky Reach dam
 - Guests will include HCP signatories, legislators, and partners
 - Looking forward to the next 30 years as we work together on solutions to complex issues
- Kirk Hudson noted that Andy Wendell sent a correction to slide 6 of the Load Growth presentation; the previous system peak was 560 MW (not 590 as shown on the slide)
- Kirk reported that last week was a proud moment for Washington State at the National Hydropower Association’s Waterpower Week
 - The Legacy award was presented to Representative Cathy McMorris-Rodgers and the Legislator of the Year award was presented to Representative Kim Schrier
 - Both were recognized for their strong support of hydropower at the national level

Commission Items

- Commissioner Allen noted that she and Commissioner Smith hosted the PUD table at the Wenatchee Chamber Banquet last week; thanks to staff who decorated the table and those that attended
- Commissioner Allen asked about the approval of Resolution 12; since it was likely included in the approved budget, is there a way to streamline the approval process?

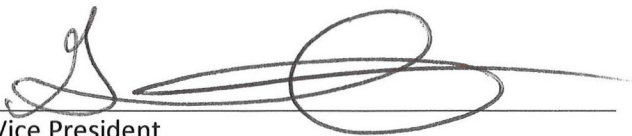
Follow up on Delegation of Action Items from 3/4/24 Board meeting

- None

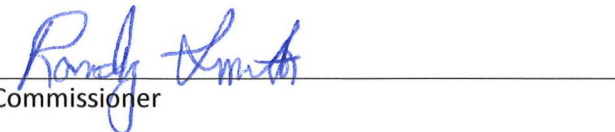
Delegation of Action Items

- Andy Wendell will provide information on whether the vegetation at the North Shore substation is irrigated
- Lyle Moore will include the number of meter installs going back 20 years on the next Load Growth presentation

There being no other business, the meeting was adjourned at 1:37pm



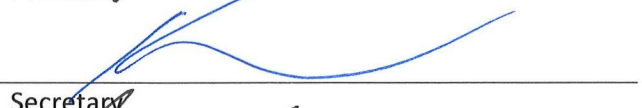
Vice President



Commissioner



President



Secretary



Commissioner