

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington April 1, 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 April 1, 2024, at the hour of 10:00 am, pursuant to proper notice.

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

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

## **Call to Order**

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

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

- Kevin Vaughn, Supervisor CAD & GIS Services, led the pledge and reviewed how to evaluate online information

## **Agenda**

- The agenda was approved as submitted

## **Advanced Metering Infrastructure (AMI) Opt-Out Customer Engagement**

- Andy Wendell, Director Customer Service and Stakeholder Outreach, gave an update on recent customer engagement with customers who have opted out of an AMI meter
- Reviewed meter deployment status; currently 0.5% of customers have opted out
- Seven outreach sessions were held online and in person
- Many customers are choosing to opt in after receiving additional information
- Reviewed next steps; opt-out fee will begin in June
- Commissioners thanked Andy and his team for their work on the AMI project

## **Consent Agenda**

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

- Minutes of the March 18, 2024 Regular Meeting and March 26, 2024 Special Meeting
- Vouchers: Accounts Payable Summary Report dated March 26, 2024:
  - Vouchers totaling \$42,072,227.16;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 12, 2024 through March 25, 2024 in the amount of \$50,973.75.

- Approval of the net Payroll, Warrant Nos. 238400 through 238412 and Advice Nos. 773949 through 774786 for the pay period ending March 10, 2024 in the amount of \$2,620,857.35.
- Approval of Warrant Nos. 30975 through 31072 totaling \$25,391.17 for claim payments from the workers' compensation self-insurance fund for the period ending March 25, 2024.
- Approval of Parks Reservation System customer refunds for the period March 12, 2024 through March 25, 2024 in the amount of \$280.00.
- Resolution 7. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 23-13014 WITH ARROW CONCRETE AND ASPHALT SPECIALTIES, LLC OF SPOKANE VALLEY AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

**MOTION**

Moved by: Commissioner Allen  
 Seconded by: Commissioner Smith  
 To approve the consent agenda as presented  
 Approved: Unanimously

**Resolution 8**

- Lisa Graves, Real Estate Specialist III, and Vicki Griffin, Real Estate & Permitting Manager, presented Resolution 8 and reviewed maps of the property
- Resolution 8. 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

**MOTION**

Moved by: Commissioner Smith  
 Seconded by: Commissioner Arseneault  
 To approve Resolution 8 as presented

**MOTION**

Moved by: Commissioner Allen  
 Seconded by: Commissioner Smith  
 To postpone this motion until the next meeting  
 Approved: Unanimously

**Capital Budget Revision – Rock Island Powerhouse 1, Unit B3**

- Tim McMaster, Engineering and Project Management Manager gave an update on Rock Island Powerhouse 1, Unit B3 project
- Proposed motion: To increase the total project budget for capital project RI170013, Rock Island Powerhouse 1 B3 Modernization, in the amount of \$3,800,000 for a revised total project budget of \$28,800,000

**MOTION**

Moved by: Commissioner Allen  
 Seconded by: Commissioner Arseneault  
 To approve item 9 as presented  
 Approved: Unanimously

**Manager Items**

- Kirk Hudson, General Manager, gave several updates
  - Introduced Chris Blayne, Managing Director of Fiber & Telecom, who joined the District today; thanks to Bob Shane for 23 years of distinguished service

- Placeholder on each board meeting agenda for the rest of the year to cover strategic, business and budget planning items
- Lessons learned on Resolution 7 were included in the Board's packet
- Following the Board's guidance, staff expects to bring forth a resolution for consideration at the next meeting for the Peshastin Water District rate equalization charge

#### **Commissioner Travel**

- Lisa Sanders, Legal Office Administrator, reviewed upcoming Commissioner travel

#### **Commission Items**

- Special Meeting

##### **MOTION**

Moved by: Commissioner Allen

Seconded by: Commissioner Smith

To set a special meeting on Tuesday, April 23, 2024 @ 10:00am at Pybus Events Center, 3 N Worthen Street, Wenatchee, for the purpose of holding a Strategic Visioning Kickoff and Strategy Partners Update

Approved: Unanimously

- Commissioner Allen
  - Attended the Port economic update summit; noted low population growth and how that will impact labor shortages
    - Commissioner Smith noted that the largest economic sector remains agriculture
    - Also addressed rising housing costs; hurdle for bringing in new employees
  - Visited the North Shore substation, which is about to be energized
- Commissioners thanked staff for the wonderful Habitat Conservation Plan (HCP) celebration
  - Learned new things about the HCP; opportunity to celebrate a lot of hard work
  - Kudos to staff
- Commissioner Bergren attended the Regional Water meeting last week
  - Issue of a second source for Wenatchee is a big issue; has been discussed for 16 years
  - Demand for water keeps increasing

#### **Follow up on Delegation of Action Items from 3/18/24 Board meeting**

- 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

#### **Delegation of Action Items**

- Kirk Hudson will provide additional information on the proposed property sale to Douglas PUD and whether the District may have a use for the property as we proceed with strategic planning

#### **Recess @ 11:30am; Reconvene @ 12:30pm**

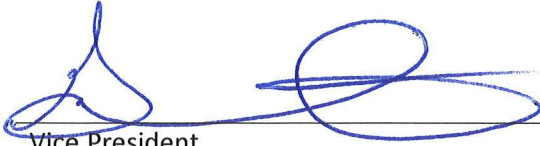

#### **Executive Session**

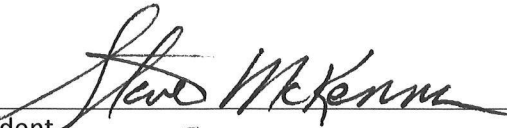
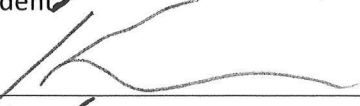

President McKenna convened an executive session at approximately 12:30pm to discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) for approximately 2 hours.

#### **Regular Session Reconvened at 2:24pm**

President McKenna confirmed no votes were taken and no decisions were made during Executive Session

There being no other business, the meeting was adjourned at 2:24pm

  
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Vice President  
  
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Commissioner

  
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President  
  
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Secretary  
  
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Commissioner