



Mission:

To provide sustainable, reliable utility services that enhance the quality of life in Chelan County.

### PUD PROFILE

Chelan County PUD owns and operates one of the largest nonfederal, customer-owned hydroelectric systems in the nation. The District’s highest priority is preserving the integrity of our core assets—hydropower projects, distribution systems, facilities, and workforce—to ensure the continued delivery of clean, renewable, carbon-free energy.

The District’s three dams exemplify the value of public power, with a combined peak generating capacity of over 2,000 megawatts. In 2024, they produced 7.2 million megawatt hours of affordable, emission-free electricity.

As stewards of a vital community resource, Chelan PUD is committed to reliability, sustainability, and long-term value for the people we serve.

### IMAGINE 2075

The Imagine 2075 project began about a year ago, when commissioners and senior leaders decided to pursue a 50-year vision to guide the utility’s future beyond the typical 5-year planning cycle. More than 150 staff and 50 community partners identified the top trends, both challenges and opportunities, that it will likely face in the next 50 years. Employee-led teams created four possible future stories that explored different scenarios for 2075. Based on those scenarios, commissioners and senior leaders identified nine goals deemed critical to ensure the best chance of success under good and challenging times. More than 1,700 customer-owners prioritized those nine goals in a survey in August and September 2024.

- Ensure energy and water forever: Meet rising energy demands, preserve local control and keep rates stable by investing in infrastructure for essential services.
- Harness the power frontier: Expand the PUD’s energy portfolio to power the community’s growth and future.
- Bend don’t break: Invest in equipment, skilled workers and advanced technology to make essential services more resilient to adverse events, such as severe weather, changes in hydrology, and cyber events.
- Future facing: Boldly act on opportunities that can benefit customers in the long run.
- Community power: Keep the public informed and involved through collaboration and transparency.
- Partners in success: Build strong collaborative relationships with governments, community organizations and others to support a high quality of life.
- Lead with purpose: The publicly-elected board will shift their role from operational to strategic by providing proactive guidance, setting policies and tracking progress.

- Can do: Build a strong workforce that’s engaged, adaptable, resilient, and learning-oriented.
- Fly in formation: The mission, vision and goals provide a North star for the PUD to prioritize and drive innovation.

For 2025, key District efforts will center around development and adoption of the near term (5-10 years) Strategic Plan and associated Business Plan. A complementary effort by the Board of Commissioners is anticipated to establish a new Board governance framework. This framework will include core governance policies, delegations between the Board and its General Manager, and strategic directive policies.

### RIVERFRONT PARK REDEVELOPMENT NEARS COMPLETION

The District, in collaboration with the City of Wenatchee, is progressing toward completion of Phase 1 of the Wenatchee Riverfront Park redevelopment, the budget for this capital project is approximately \$11.7 million. The project, which began in June 2024, represents a significant public infrastructure enhancement along the Apple Capital Recreation Loop Trail.

Phase 1 of the development plan comprises 14 projects, including a themed splash pad, a train depot, and an inclusive playground. These amenities are strategically positioned between the railway corridor and Ninth Street to improve both community access and recreational engagement along the Columbia River waterfront. Completion of the playground is anticipated in June 2025, with the splash pad expected to open shortly thereafter, aligning with the peak summer recreational season.

This redevelopment underscores the District’s continued investment in community infrastructure, urban revitalization, and public-private collaboration. The phased enhancement strategy aims to boost regional quality of life, attract tourism, and support economic development through improved public amenities.

### WATER SUPPLY FORECASTS

The mid-April forecast from the Northwest River Forecast Center forecasts January-July water supply on the Columbia River is 88 percent of average at Grand Coulee Dam. The District expects below average generation under the forecasted water conditions. Due to the District’s risk management plans, hedging strategies and financial policies, the District still expects to meet or exceed financial targets.

The District’s April 1st water supply forecast for the Lake Chelan drainage basin was 75 percent of average from April through July. Lake Chelan Hydro Project operations will continue to balance the operating objectives, which puts the District in a good position to achieve target elevations, despite low water conditions. Last year’s actual water supply for Lake Chelan from April through July was 64 percent of average.

### FINANCIAL HIGHLIGHTS

For the three months ended March 31, 2025, Chelan County PUD recorded a change in net position of \$35.1 million, a decrease in earnings of \$5.8 million from the same period in 2024. The decrease

in earnings is due primarily to a combination of reduced operating revenue and increased operating expense. Operating revenues were higher in 2024 due to higher average market prices and the receipt of proceeds from the auction of no-cost allowances allocated to the District under Washington State’s Climate Commitment Act (CCA). The District did not commit any CCA allowances to auction during Q1 2025, but does expect to monetize them later in the year. Operating expenses are up due to increased maintenance at District hatcheries and higher depreciation expense resulting from recent large asset additions.

As of March 31, 2025, combined unrestricted cash and investments totaled \$291.4 million, comparable to the \$368.6 million reported for the same period in 2024. Unrestricted balances are down due to the issuance of an internal loan from unrestricted operating reserves to the Rock Island hydroelectric system for restricted use. The loaned funds are now held in the hydro and restricted for capital spending and debt reduction in accordance with long-term power sales agreements. Strong operating results continue to allow the District to fund a portion of both debt repayments and capital spending from operating reserves, while meeting its liquidity target.

As of March 31, 2025, current assets increased \$4.2 million compared to the prior year due primarily to increases in accounts receivable as well as materials and supplies. Accounts receivable is up because of increased balances related to wholesale power sales.

Utility plant balances increased \$122.7 million with investments in major projects including ongoing work on various substations, modernization work at the Rock Island hydroelectric project, the District’s new Service Center, the Dryden wastewater treatment plant, and the purchase of the Ravenwing Ranch property for future use.

The primary driver behind a \$109.9 million increase in Restricted Assets – Noncurrent was the issuance of an internal loan to the Rock Island hydroelectric system for restricted use. Other assets decreased by \$72 million primarily due to reduced long-term investment balances resulting from the internal loan and the District’s ongoing management of its investment portfolio to optimize investment yields. These reductions were partially offset by increased collateral held on power sales agreements.

Long-term debt decreased by \$43.8 million due to regularly scheduled principal payments on outstanding debt. The District’s debt level continues to meet established debt leverage metrics while supporting the District’s financial policies, customer-owner priorities, strong credit rating and long-term financial stability.



Sri Krishnan

Chief Financial Officer/Chief Risk Officer



CONDENSED COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Unaudited)

Three Months Ended March 31, 2025

(in thousands)

|                             |    | Rocky<br>Reach |    | Rock<br>Island |    | Lake<br>Chelan |    | Utility<br>Services |    | Financing<br>Facilities |    | Internal<br>Services |    | Intra-District<br>Transactions (1) |    | 3 Months<br>Ended<br>3/31/2025 |    | 3 Months<br>Ended<br>3/31/2024 |
|-----------------------------|----|----------------|----|----------------|----|----------------|----|---------------------|----|-------------------------|----|----------------------|----|------------------------------------|----|--------------------------------|----|--------------------------------|
| OPERATING REVENUES          | \$ | 23,937         | \$ | 40,885         | \$ | 2,205          | \$ | 131,704             | \$ | 1,506                   | \$ | 10,177               | \$ | (67,357)                           | \$ | 143,057                        | \$ | 174,424                        |
| OPERATING EXPENSES          |    | 20,346         |    | 21,927         |    | 2,401          |    | 123,189             |    | -                       |    | 9,196                |    | (67,357)                           |    | 109,702                        |    | 137,584                        |
| NET OPERATING INCOME (LOSS) |    | 3,591          |    | 18,958         |    | (196)          |    | 8,515               |    | 1,506                   |    | 981                  |    | -                                  |    | 33,355                         |    | 36,840                         |
| OTHER INCOME (EXPENSE) (2)  |    | (1,698)        |    | (6,330)        |    | (218)          |    | 5,059               |    | 4,173                   |    | (236)                |    | -                                  |    | 750                            |    | 1,936                          |
| CAPITAL CONTRIBUTIONS       |    | -              |    | 148            |    | -              |    | 891                 |    | -                       |    | -                    |    | -                                  |    | 1,039                          |    | 2,181                          |
| CHANGE IN NET POSITION      | \$ | 1,893          | \$ | 12,776         | \$ | (414)          | \$ | 14,465              | \$ | 5,679                   | \$ | 745                  | \$ | -                                  | \$ | 35,144                         | \$ | 40,957                         |

CONDENSED COMBINING STATEMENTS OF NET POSITION (Unaudited)

March 31, 2025

(in thousands)

| ASSETS AND DEFERRED<br>OUTFLOWS OF RESOURCES                         |    | Rocky<br>Reach |    | Rock<br>Island |    | Lake<br>Chelan |    | Utility<br>Services |    | Financing<br>Facilities |    | Internal<br>Services |    | Intra- District<br>Transactions (1) |    | 3/31/2025 |    | 3/31/2024 |
|--|----|----------------|----|----------------|----|----------------|----|---------------------|----|-------------------------|----|----------------------|----|-------------------------------------|----|-----------|----|-----------|
| CURRENT ASSETS   | \$ | 18,950         | \$ | 19,950         | \$ | 2,854          | \$ | 169,103             | \$ | 13,806                  | \$ | 10,429               | \$ | -                                   | \$ | 235,092   | \$ | 230,876   |
| NET UTILITY PLANT  |    | 265,740        |    | 638,897        |    | 82,050         |    | 515,506             |    | -                       |    | 254,006              |    | -                                   |    | 1,756,199 |    | 1,633,491 |
| RESTRICTED ASSETS - NONCURRENT                                       |    | 25,967         |    | 162,976        |    | -              |    | 37,224              |    | 14,668                  |    | 4,581                |    | -                                   |    | 245,416   |    | 135,478   |
| OTHER ASSETS   |    | 9,978          |    | 33,376         |    | 5,155          |    | 197,258             |    | 20,489                  |    | 12,160               |    | (8,877)                             |    | 269,539   |    | 341,581   |
| DEFERRED OUTFLOWS OF RESOURCES                                       |    | 9,155          |    | 9,682          |    | 1,012          |    | 12,197              |    | 94                      |    | 349                  |    | -                                   |    | 32,489    |    | 25,428    |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                   | \$ | 329,790        | \$ | 864,881        | \$ | 91,071         | \$ | 931,288             | \$ | 49,057                  | \$ | 281,525              | \$ | (8,877)                             | \$ | 2,538,735 | \$ | 2,366,854 |
| LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES AND NET POSITION       |    |                |    |                |    |                |    |                     |    |                         |    |                      |    |                                     |    |           |    |           |
| CURRENT LIABILITIES  | \$ | 5,990          | \$ | 34,473         | \$ | 759            | \$ | 70,103              | \$ | 27,927                  | \$ | 33,914               | \$ | -                                   | \$ | 173,166   | \$ | 134,764   |
| INTERSYSTEM PAYABLE (RECEIVABLE) - CURRENT                           |    | 10,524         |    | 13,932         |    | (224)          |    | 8,304               |    | (21,745)                |    | (10,791)             |    | -                                   |    | -         |    | -         |
| LONG-TERM DEBT   |    | -              |    | 94,457         |    | -              |    | 3,985               |    | 148,943                 |    | -                    |    | -                                   |    | 247,385   |    | 291,198   |
| INTERSYSTEM PAYABLE (RECEIVABLE) - NONCURRENT                        |    | 34,608         |    | 308,986        |    | (10,905)       |    | (226,375)           |    | (335,071)               |    | 228,757              |    | -                                   |    | -         |    | -         |
| UNEARNED REVENUES  |    | 5,321          |    | 5,425          |    | -              |    | 79,118              |    | 2,997                   |    | -                    |    | (8,877)                             |    | 83,984    |    | 98,644    |
| OTHER LIABILITIES  |    | 11,897         |    | 14,782         |    | 10,465         |    | 8,133               |    | -                       |    | 9,822                |    | -                                   |    | 55,099    |    | 56,679    |
| TOTAL LIABILITIES  |    | 68,340         |    | 472,055        |    | 95             |    | (56,732)            |    | (176,949)               |    | 261,702              |    | (8,877)                             |    | 559,634   |    | 581,285   |
| DEFERRED INFLOWS OF RESOURCES  |    | 12,878         |    | 28,901         |    | 1,421          |    | 87,890              |    | 201                     |    | 211                  |    | -                                   |    | 131,502   |    | 82,504    |
| TOTAL NET POSITION   |    | 248,572        |    | 363,925        |    | 89,555         |    | 900,130             |    | 225,805                 |    | 19,612               |    | -                                   |    | 1,847,599 |    | 1,703,065 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND NET POSITION | \$ | 329,790        | \$ | 864,881        | \$ | 91,071         | \$ | 931,288             | \$ | 49,057                  | \$ | 281,525              | \$ | (8,877)                             | \$ | 2,538,735 | \$ | 2,366,854 |

ELECTRIC

| March 31, 2025                           | 2025   | 2024   |
|--|--------|--------|
| Number of Customers                      | 51,831 | 51,357 |
| Number of Residential Customers          | 42,441 | 41,937 |
| YTD Average Residential Rate (Cents/kWh) | 3.34   | 3.31   |

POWER GENERATION (MWh) (000)

| 3 months ended March 31, 2025 | 2025  | 2024 |
|-------------------------------|-------|------|
| Lake Chelan                   | 74    | 81   |
| Rocky Reach                   | 1,198 | 984  |
| Rock Island                   | 615   | 516  |

HYDRO PRODUCTION COST/MWH GENERATED (\$/MWh)

| 3 months ended March 31, 2025 | 2025  | 2024  |
|-------------------------------|-------|-------|
| Lake Chelan                   | \$ 32 | \$ 30 |
| Rocky Reach                   | 18    | 21    |
| Rock Island                   | 46    | 57    |

NOTES TO CONDENSED STATEMENTS

(1) Intra-District transactions are eliminated.

(2) Consists primarily of investment income and interest expense on long-term debt.

Public Utility District No.1 of Chelan County (Chelan County PUD) has prepared condensed financial statements in accordance with generally accepted accounting principles. Condensed financial statements should be read in conjunction with the notes to the financial statements included in Chelan County PUD's Annual Report as of December 31, 2024. This information is provided for general information. Not all the information is intended for nor should it be relied upon for making investment decisions by current or prospective investors.