

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington August 19, 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 August 19, 2024, at the hour of 10:00 am, pursuant to proper notice.

Commissioners present: Steve McKenna, President
Garry Arseneault
Carnan Bergren

Staff present: Kirk Hudson, General Manager
Katie Yount, Acting General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Others: Steve Keene, Scott Griffith, Paul Schmidt

Call to Order

- President McKenna called the meeting to order at 10:01am

Pledge of Allegiance and Safety/H&OP Minute

- Maggie Bravo, Admin Training Assistant, led the pledge and provided information on back to school safety

Agenda

- The agenda was approved as presented

Beebe Bridge Park and Campground Operations

- Ryan Baker, Parks Manager, and Justin Erickson, Chief Strategy and Stakeholder Officer, provided an overview of Beebe Bridge park operations and update on discussions with State Parks on the potential for them to operate and maintain the park
- Reviewed amenities, history and usage, and the model for a partnership with State Parks including efficiencies and benefits
- Discussions about Beebe Bridge Campground and future operations as a State Park are progressing
- Ongoing efforts to enhance operational efficiencies and provide the best user experience
- Strongly value our partnership with State Parks
- Questions were raised around launch fees and opportunities for local residents to make camping reservations
- Scott Griffith, State Parks, recognized staff for their exceptional maintenance of Beebe Park and noted that our organizations have a long history of collaboration

Annual Fees and Charges Update

- Cathy Melton, Customer Service Program Analyst, reviewed staff recommendations on fees and charges and proposed implementation plan

Rate Plan Proposal

- Lindsey Mohns, Director Business Services and Customer Utilities, and Cathy Melton, reviewed electric, water, and wastewater rate proposals and outreach plan
- Proposal is for increases of 4% for water, 4% for wastewater and 3% for electric
- Discussed gap between what services cost the District to provide and the amount paid in rates
 - Operating costs and investments in assets to support county growth and reliability continue to grow in all systems
 - Absent rate increases, the gap will continue to widen further
 - Increasing cost gap adds future rate pressure and adds risk of larger rate increases later
 - Puts more pressure and reliance on the wholesale market revenues, Public Power Benefit (PPB) program, and other financial resources to cover costs
- Reviewed changes to other rate schedules
- Heard feedback regarding comparison of business line financial policy metrics as some have received PPB program subsidies

MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Bergren

To approve the proposed public engagement plan and to set a public rate hearing on September 16, 2024 at 10:15am at the PUD Service Center

Approved: Unanimously

Strategic Visioning Update

- Justin Erickson provided an update on Strategic Visioning
- Reviewed progress to date and upcoming activities
- Customer survey expected to launch after Labor Day
- Commissioners expressed appreciation for work done to date by staff

Public Comment

- Paul Schmidt, Wenatchee, thanked Commissioners and staff; doing a great job
 - Provided feedback on large load and encouraged the District to do what is in our best interest

Consent Agenda

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

- Minutes of the August 5, 2024 Regular Meeting and August 14, 2024 Special Meeting
- Vouchers: Accounts Payable Summary Report dated August 13, 2024:
 - Vouchers totaling \$9,297,356.75;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 30, 2024 through August 12, 2024 in the amount of \$77,149.50.
 - Approval of the net Payroll, Warrant Nos. 238533 through 238546 and Advice Nos. 782396 through 783245 for the pay period ending July 28, 2024 in the amount of \$2,707,051.94.
 - Approval of Warrant Nos. 31820 through 31909 totaling \$53,588.90 for claim payments from the workers' compensation self-insurance fund for the period ending August 12, 2024.
 - Approval of Parks Reservation System customer refunds for the period July 30, 2024 through August 12, 2024 in the amount of \$4,305.00.
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 12, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-06 WITH PIPE OF WASHINGTON, INC. DBA POW CONTRACTING OF PASCO, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

MOTION

Moved by: Commissioner Arseneault
Seconded by: Commissioner Bergren
To approve the consent agenda as presented
Approved: Unanimously

Resolution 11

- Tracy Yount, Director Strategic Affairs, presented Resolution 11
- Commissioners recognized Tracy's years of service as he prepares to depart the District
- Resolution 11. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA NO. 20-11280) WITH THOMPSON CONSULTING GROUP, INC. TO PROVIDE FEDERAL AND STATE GOVERNMENT RELATIONS SERVICES FOR THE DISTRICT

Resolution 12

- Fandhi Irawan, Senior Project Manager, presented Resolution 12
- Resolution 12. A RESOLUTION REJECTING THE BID OF GREENBERRY INDUSTRIAL, LLC OF VANCOUVER, WASHINGTON AND ACCEPTING THE BID OF BENDER CCP, INC. OF KENT, WASHINGTON (BID 24-13715) FOR ROCK ISLAND POWERHOUSE 1 – DISCHARGE RING CONTAINMENT & ACCESS PLATFORM SUPPLY AND MANUFACTURE

MOTION

Moved by: Commissioner Bergren
Seconded by: Commissioner Arseneault
To approve Resolutions 11 and 12 as presented
Approved: Unanimously

Manager Items

- Devin Howe, Technology Development and Innovation Manager, and Libby Siebens, Communications Manager, provided an update on the Current app
 - Reviewed app improvements; estimated launch will be near the end of August
 - Feedback can still be submitted through the app
 - A suggestion was made to add boat launch cameras to the app
- John Stoll, Managing Director Customer Utilities, provided an update on the Pioneer Fire
 - Evacuation notices around Stehekin have generally been lowered to Level 2
 - Our operator, Bob Nielsen, did an outstanding job keeping the system operating with only minor outages
 - Will send a crew up for a system assessment once the evacuation orders are lifted
 - Community feedback has been outstanding on how Bob has kept everything running
 - Commissioner Bergren mentioned a concern regarding woody debris
 - Special thanks to Libby Siebens, Rachel Hansen, and the communications group who stayed engaged
- Kirk Hudson, General Manager, provided a couple of updates
 - Quarterly project reports were included in today's packet
 - Our new Chief Financial and Risk Officer, Sri Krishnan, starts today

Commission Items

- Board Workshops

MOTION

Moved by: Commissioner Arseneault
Seconded by: Commissioner Bergren

To set the following special meetings on Friday, September 13, 2024 and Friday, October 18, 2024 @ 9:00am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding Board Workshops

Approved: Unanimously

- Commissioner Arseneault reported on his attendance at last month's American Public Power Association (APPA) Policy Makers meeting in Washington DC

Follow up on Delegation of Action Items from 8/5/24 Board meeting

- None

Delegation of Action Items

- Justin Erickson will discuss items related to Beebe Park with Washington State Parks, including launch fees, dump fees and special period for camping reservations

Recess @ 11:59am; Reconvene @ 1:00pm

Executive Session

President McKenna convened an executive session at approximately 1:00pm 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), to plan the strategy or position to be taken during the course of collective bargaining, as authorized by RCW 42.30.140(4)(b) and to consider information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities pursuant to RCW 42.30.110(1)(a)(ii) for approximately 2 hours.

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 3:05pm



Vice President

Commissioner



President

Secretary

Commissioner