

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington February 18, 2025

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 February 18, 2025, at the hour of 10:00 am, pursuant to proper notice.

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

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

**Others present:** Dorry Foster

## Call to Order

- President McKenna called the meeting to order at 10:04am

## Pledge of Allegiance and Safety/H&OP Minute

- Abby Phipps, Customer Utilities Process Admin, led the pledge and provided information on the importance of knowledge transfer

## Agenda

- The agenda was approved as presented

## Fifth Street Redevelopment Update

- Laine Heikel, Senior Project Manager, gave an update on the Fifth Street redevelopment project
- Reviewed current project activities related to Electric Avenue, Fish and Wildlife building and the old Headquarters
- Reviewed budget status and upcoming activities
- Dorry Foster, YMCA Executive Director, provided an update on the Wenatchee Valley YMCA project
  - April 10 groundbreaking ceremony; anticipate partial occupancy in August 2026
- Commissioners thanked the YMCA for their efforts to develop the site

## Quarterly Financial Review and Investment Report

- Dave Nelson, Manager Strategic Financial Planning, covered fourth quarter results
- Bottom-line results better than budget
  - Higher long-term contract and other operating revenues and lower operating costs more than offset lower net wholesale revenues due to low streamflow conditions and lower wholesale prices

- Significant investment in core assets
  - Capital spending continued at a high level in 2024 with strong progress on key projects
- Financial targets on track
  - District financial metrics were met for 2024 and are on track for the 5-year planning horizon
  - Low debt leverage and high debt service coverage provides financial flexibility

#### **Quarterly Energy Resources Update**

- Janet Jaspers, Chief Energy Resources Officer, introduced Jeff Johnson, Director of Energy Operations Planning and Trading, and reviewed fourth quarter results
- 2024 revenue ended above budget, water supply was below average
  - Net wholesale revenue and other energy-related revenue \$10.8M above budget
  - 2024 Columbia River water supply 72% of normal for January – December
- Climate Commitment Act
  - Q4 Washington allowance auction price \$40.26/MTCO<sub>2</sub>e (metric ton of carbon)
  - Fewer participants in the Q4 auction due to initiative uncertainty
- Day-Ahead Market Initiatives
  - Southwest Power Pool Markets+
    - FERC approved tariff January 16
    - Expecting to sign Phase 2 funding agreement soon
  - California Independent System Operator Extended Day Ahead Market
  - Pathways Initiative

#### **Audit Committee Annual Update**

- Matt Boles, Senior Internal Auditor, presented a summary of 2024 audit committee activities

#### **Consent Agenda**

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

- Minutes of the January 31, 2025 Special Meeting and February 3, 2025 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated February 11, 2025:
  - Vouchers totaling \$14,645,274.57;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 28, 2025 through February 10, 2025 in the amount of \$30,873.60.
  - Approval of the net Payroll, Warrant Nos. 238701 through 238710 and Advice Nos. 793386 through 794203 for the pay period ending January 26, 2025 in the amount of \$2,696,355.28.
  - Approval of Warrant Nos. 32709 through 32807 totaling \$32,864.27 for claim payments from the workers' compensation self-insurance fund for the period ending February 10, 2025.

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve the consent agenda as presented

Approved: Unanimously

#### **Fiber Rates Update**

- Chris Blayne, Managing Director Fiber & Telecom, provided an update on the need to delay implementation of new fiber rates

## MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Smith

To suspend the March 1, 2025, effective date for the Wholesale Telecommunications Services Rates established by Resolution 25-14963 until June 1, 2025

Approved: Unanimously

### Manager Items

- Chad Rissman, Director Distribution Asset Management, and Steve Wickel, Manager Transmission & Distribution Engineering, provided an update on recent cold weather
  - System peaked at 535 Mw
  - Saw 9 stations over 90% of capacity; projects are identified or in-flight for each of those locations
  - Shared how advanced metering infrastructure (AMI) data is being used to identify small issues

### Commission Items

- Washington PUD Association (WPUDA) scholarship nomination; Kimberly Strong is the Chelan PUD nominee
- Commissioners noted good WPUDA meetings last week; Commissioner Smith recognized Commissioner McKenna for his efforts on the education committee

### Follow up on Delegation of Action Items from 1/31/25 Board Workshop

- Chris Blayne will develop a definition of broadband service
- Rebekah Neumann will share a list of potential Strategic Directives for which Commissioners can volunteer to draft

### Follow up on Delegation of Action Items from 2/3/25 Board meeting

- Josh Mitchell will provide more information on the comfort plus program for energy-burdened households

### Delegation of Action Items

- Janet Jaspers will share information on anticipated staffing impacts at Bonneville Power Administration related to Executive Orders
- Erik Wahlquist will share an assessment of tariff impacts on the District for power sent to/received from Canada
- John Stoll will provide information on outstanding items related to North Shore Substation (lights/fencing)
- Rebekah Neumann will determine if the lights at Rocky Reach have been updated

### Recess @ 12:03pm; 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 consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b) and to plan the strategy or position to be taken during the course of collective bargaining, as authorized by RCW 42.30.140(4)(b) for approximately 90 minutes.

### Regular Session Reconvened at 2:30pm

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 2:30pm



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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