

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington June 17, 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 June 17, 2024, at the hour of 9:00 am, pursuant to proper notice via email from President McKenna on June 10, 2024.

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

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

**Other:** Cyril Paynot, Pierre Rung, Eric Douglas

## **Call to Order**

- President McKenna called the meeting to order at 9:02am

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

- Micah Lenderman, Senior Management Analyst, led the pledge and provided information on vehicle safety

## **Agenda**

- The agenda was approved as presented

## **Cycle of Personal Ownership (CPO) Winner Recognition**

- Kirk Hudson, General Manager, recognized May winner Toby Tarzwell, Senior Project Manager

## **Quarterly Electrical Load Growth Update**

- Lyle Moore, Customer Service Engineering Supervisor, presented quarterly load growth information
- Slower residential and increased commercial and infrastructure construction in Q2 2024
- New development planning occurring in Entiat, Chelan and Wenatchee
- Forecasting ~700 new electrical meters in 2024
- New electric 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

## **2024 – 2025 Insurance Program Renewal Update**

- Ron Gibbs, Insurance and Risk Management Manager, provided information on the 2024 insurance renewal
- Inflation still impacting property premiums

- Wildfire liability risk continues to challenge utilities
- Staff is exploring options that would allow the District to meet RCW requirements permitting captive use insurance in future years

**MOTION**

Moved by: Commissioner Allen

Seconded by: Commissioner Smith

To authorize expenditures by the District not to exceed \$7,800,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2024-2025 policies upon terms and conditions approved by the General Manager

Approved: Unanimously

**Advanced Metering Infrastructure (AMI) Update**

- Katie Marshall, Customer Utilities Technology Manager, and Ken McCullough, Meter Shop Superintendent, provided an update on the AMI project
- Completed full deployment of 50,053 AMI meters
- Implemented opt-out fees
- Kicked off network optimization
- Reviewed success stories
- Staff recommends implementing a one-time bill credit for opt out fees assessed June-August 2024, for customers that choose to opt in; Commissioner feedback was supportive of lengthening the grace period to at least 12 months

**Rock Island Powerhouse 2 Generating Unit Rehab Update**

- John Sagerser, Engineering and Project Management Manager, provided an update on the Rock Island Powerhouse 2 generating unit rehab project in preparation for a future resolution
- Introduced Cyril Paynot and Pierre Run, Project Directors from GE Hydro
- Reviewed project background, phases of work, first unit progress, lessons learned, and anticipated impacts on the second unit
- Guaranteed maximum price (GMP) #4 resolution will be presented for consideration on July 1
- This is one of the largest projects GE is undertaking worldwide; these will be the first air-filled hubs installed in the world

**Recess @ 10:48am; Reconvene @ 11:01am**

**Consent Agenda**

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

- Minutes of the June 3, 2024 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated June 11, 2024:
  - Vouchers totaling \$15,599,007.92;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 28, 2024 through June 10, 2024 in the amount of \$50,620.68.
  - Approval of the net Payroll, Warrant Nos. 238479 through 238491 and Advice Nos. 779005 through 779854 for the pay period ending June 02, 2024 in the amount of \$2,754,383.83.
  - Approval of Warrant Nos. 31433 through 31524 totaling \$25,994.53 for claim payments from the workers' compensation self-insurance fund for the period ending June 10, 2024.
  - Approval of Parks Reservation System customer refunds for the period May 28, 2024 through June 10, 2024 in the amount of \$2,765.00.

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve the consent agenda as presented

Approved: Unanimously

**Resolution 11**

- John Sagerser and Devin Myers, Senior Project Manager, presented Resolution 11
- Resolution 11. A RESOLUTION AUTHORIZING THE EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 8-GMP2 UNDER CONTRACT NO. 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT

**Resolution 12**

- Toby Tarzwell presented Resolution 12
- Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 2 FOR CONTRACT NO. 23-12956 WITH SE INC., DBA SMITH EXCAVATION OF CASHMERE, WASHINGTON FOR UNIT PRICE EXCAVATION SERVICES

**Resolution 13**

- Brett Bickford, Managing Director Generation and Transmission, presented Resolution 13
- Resolution 13. A RESOLUTION DECLARING AN EMERGENCY PURSUANT TO RCW 54.04.070 AND 39.04.280 AND AUTHORIZING THE GENERAL MANAGER TO CONTRACT FOR GOODS AND SERVICES RELATED TO THE REPAIR OF THE ROCK ISLAND SPILLWAY CONCRETE CRACKS

**Resolution 14**

- Felicity Saberhagen, Business Manager, presented Resolution 14
- Resolution 14. A RESOLUTION REVISING THE FINANCIAL CRITERIA FOR FUNDING THE PUBLIC POWER BENEFIT PROGRAM

**Resolution 15**

- Laine Heikel, Senior Project Manager, presented Resolution 15
- Resolution 15. A RESOLUTION APPROVING BID ADVERTISEMENT, AWARD AND CONTRACT EXECUTION FOR THE ELECTRIC AVENUE DEVELOPMENT (BID NO. 24-13440)

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve Resolutions 11, 12, 13, 14, and 15 as presented

Approved: Unanimously

**Music Theatre of Wenatchee Purchase and Sale Agreement**

- David Lodge, Project Management Manager, reviewed a proposed motion for a purchase and sale agreement with the Music Theatre of Wenatchee for a portion of the Fifth Street campus

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To direct staff to enter into a Purchase and Sale Agreement with Music Theatre of Wenatchee for the sale of a portion of the Fifth Street Property referred to as the Fish & Wildlife building and associated parking lot, subject to Board approval

Approved: Unanimously

**Manager Items**

- Heather Irelan, Director Treasury, provided a Moody’s rating update
  - Moody’s recently reaffirmed the District’s current Aa2 bond rating with a stable outlook
- Rachel Hansen, Senior Communications Strategist, provided information on upcoming community drop-in sessions focused on wildfire mitigation and the fire safety outage management (FSOM) process
  - June 18, 4:30-6:30pm at the Leavenworth PUD Office
  - June 19, 4:30-6:30pm at the Beehive Grange
  - June 20, 6:00-7:30pm at the Entiat Fire Hall

**Commission Items**

- Commissioner Smith reported on recent activities:
  - Attended APPA National Conference and noted great presentations and workshops; reported electric rates in San Diego 10x greater than we have here
  - Attended Barbara Tilly’s memorial, held last weekend

**Follow up on Delegation of Action Items from 6/3/24 Board meeting**

- Dave Nelson will provide information on a historical look at PPB funding criteria to demonstrate a 10% allocation – provided via email on 6/11/24

**Follow up on Delegation of Action Items from Previous meetings**

- Lyle Moore will include the number of meter installs going back 20 years on the next Load Growth presentation – included in today’s load growth presentation

**Delegation of Action Items**

- None

**Recess @ 11:40am; Reconvene @ 1:00pm**

Commissioner Bergen left at this time

**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) for approximately 90 minutes.

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

**Workshop**

- Commissioners reviewed and discussed information on policy governance

There being no other business, the meeting was adjourned at 3:49pm




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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