

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington July 15, 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 July 15, 2024, at the hour of 10:00 am, pursuant to proper notice.

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

Staff present: Kirk Hudson, General Manager
Charles von Reis, Acting General Counsel
Rebekah Neumann, Clerk of the Board
Various staff

Other: Ann Congdon, Lisa Karstetter, Emily Watt, Tony Bolden, Suzanne Carte-Cocroft, Will Niles, Jake Lewing

Call to Order

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

Pledge of Allegiance and Safety/H&OP Minute

- Kassie Bertilson, Human and Organizational Performance (H&OP) and Strategy Program Manager, led the pledge and provided information on the 2024 H&OP program areas of focus

Agenda

- The agenda was approved as presented

Customer Satisfaction Survey Results

- John Stoll, Managing Director Customer Utilities, introduced consultant Joanne Vega of Strategic Research Associates
- Provided research findings for biannual customer satisfaction survey
- Overall satisfaction rating increased slightly to 90.3%
- Customers continue to be very satisfied with the reliability of their service, and other key measurements
- Key variables that drive an increase (or decrease) in overall satisfaction include monthly bills and operational excellence
- 72.71% of customers feel the wildfire risk in Chelan County is High or Somewhat High; preparedness for a temporary shutoff is mixed among the community
- Ann Congdon noted concern on the trustworthiness score, which was later clarified as having an 84% satisfaction rating

Large Load Approach

- Kirk Hudson, General Manager, noted that the industry is going through a major transformation; the District has a history of managing new contracts to protect local customers
- Mike Bradshaw, Director Energy Structure Training, and Charles von Reis, Staff Attorney, presented preliminary information on the District's approach to large loads
- Noted increasing demand from data center, reviewed guiding principles, and staff recommendation for interim power supply and large load power supply framework
- Public comments are invited and can be submitted to CustomerOutreach@chelanpud.org; comments are requested by August 1 for review at the August 5 commission meeting
- Does the large load customer get to choose which of the three alternatives they'll get?
 - Customers can choose but all contracts would be board approved; the PUD maintains the right to reject any request that does not meet our requirements
- Emily Watt and Lisa Karstetter from Microsoft spoke about their goal to be a good community partner
 - Lisa gets asked often why the datacenters are growing and why they use so much power
 - An example is that we're using Teams today to be connected
 - Technology is growing in everything we do; all of that must be hosted in a datacenter
- Commissioner Bergren noted that Regional Water is exploring a surface collector and invited Microsoft to be part of that project
- Commissioners indicated the staff recommendations are on the right track

Climate Commitment Act Load and Supply Forecast Adjustment

- Mike Bradshaw and Henry Quehrn, Program Manager Power/Environmental Commodities
- Reviewed adjusted load and supply forecast, which can be adjusted each July under the Climate Commitment Act (CCA)
- Load and resource forecasts are used in the cost burden calculation to determine the number of no cost allowances allocated to utilities

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To adopt, for purposes of the Climate Commitment Act, a supply forecast for renewables and non-emitting resources of 2,003,010 megawatt-hours in 2025 and 2,084,782 megawatt-hours in 2026 and a demand forecast of 2,503,762 megawatt-hours in 2025 and 2,605,977 megawatt-hours in 2026

Approved: Unanimously

Strategic Visioning Update

- Justin Erickson, Chief Strategy and Stakeholder Officer, provided an update on strategic visioning activities to date and the top twelve trends identified
- Reviewed next steps and the overall process

Quarterly Board Balanced Scorecard Status Update

- Commissioners discussed the usefulness of the Board balanced scorecard report in light of upcoming policy governance work; it was determined that staff will continue to gather the attendance data, but do not need to prepare the quarterly report
- Rebekah Neumann, Clerk of the Board, reviewed Q2 report metric exceptions

Recess @ 11:57am; Reconvene @ 1:00pm

Consent Agenda

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

- Minutes of the July 1, 2024 Regular Meeting and July 2, 2024 Special Meeting
- Vouchers: Accounts Payable Summary Report dated July 09, 2024:
 - Vouchers totaling \$7,923,881.91;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 25, 2024 through July 08, 2024 in the amount of \$44,313.86.
 - Approval of the net Payroll, Warrant Nos. 238506 through 238520 and Advice Nos. 780695 through 781535 for the pay period ending June 30, 2024 in the amount of \$2,670,124.89.
 - Approval of Warrant Nos. 31651 through 31716 totaling \$20,655.06 for claim payments from the workers' compensation self-insurance fund for the period ending July 08, 2024.
 - Approval of Parks Reservation System customer refunds for the period June 11, 2024 through July 08, 2024 in the amount of \$1,960.00.
- Resolution 11. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-18 AND AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-81 WITH REEL COH INC. OF BOISBRIAND, QUEBEC, CANADA FOR THE ROCK ISLAND POWERHOUSE 2 BRIDGE CRANE REFURBISHMENT

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Smith

To approve the consent agenda as presented

Approved: Unanimously

Resolution 12

- George Velazquez, Engineering and Project Management Manager, presented Resolution 12
- Resolution 12. A RESOLUTION APPROVING FIELD WORK ORDER NO. 1 TO EXERCISE THE OPTION TO PURCHASE ADDITIONAL TRASH RACKS UNDER ROCKY REACH TRASH RACK AND EXCLUSION GATE MANUFACTURING CONTRACT (BID NO. 24-13434) WITH NORTHWEST STEEL FABRICATION, INC. OF DEER PARK, WASHINGTON

Resolution 13

- Brett Bickford, Managing Director Generation and Transmission, presented Resolution 13
- Resolution 13. A RESOLUTION DECLARING HD HYUNDAI POWER TRANSFORMERS USA, INC OF MONTGOMERY, ALABAMA AS THE SOLE SOURCE SUPPLIER OF TRANSFORMER REPAIRS FOR ROCKY REACH (CONTRACT NO. 24-13780)

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve Resolutions 12 and 13 as presented

Approved: Unanimously

Confluence Parkway Update and Proposed Capital Project and Budget

- Chad Bowman, Director Project Delivery, and Casey Hall, Principal Project Manager, presented an update on South Confluence Parkway
- The south portion of the project is not involved in the land exchange or Federal Energy Regulatory Commission (FERC) license amendment request
- Jake Lewing, City of Wenatchee, confirmed that the City is committed to this project as a regional priority,

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To establish a new capital project and associated budget for Confluence Parkway South Relocate Utilities in the amount of \$4,602,000

Approved: Unanimously

Manager Items

- Mark Mullins, Interim Chief Financial and Risk Officer, provided information on the 2024 insurance renewal
 - Overall, saw a 35.5% increase in premiums with the renewal coming in at \$7.3M
- Lindsey Mohns, Director Business Services and Customer Utilities, provided the following updates
 - Clean energy credits for Washington families
 - State-funded program for low to moderate income families
 - All bill credits must be applied by Sept 15; the state-approved contractor, PromisePay will determine eligibility
 - Billing update
 - In February our billing contractor was targeted by a cybersecurity incident
 - Our interim solution was mailing all bills via postal service
 - The interim contractor will be updating bills to deliver those by mail and email going forward
 - Thanks to customer relations staff for their efforts on this
- Kirk Hudson, General Manager, introduced Janet Jaspers, Chief Energy Resources Officer

Commission Items

- Commissioner Arseneault noted that Washington PUD Association (WPUDA) monthly meetings start on Wednesday in Longview and next week the American Public Power Association (APPA) policy makers will be meeting in Washington DC

Follow up on Delegation of Action Items from 7/1/24 Board meeting

- Rachel Hansen will provide information on how customers can join the Electrical Needs Registry for medical equipment that relies on electricity to operate

Delegation of Action Items

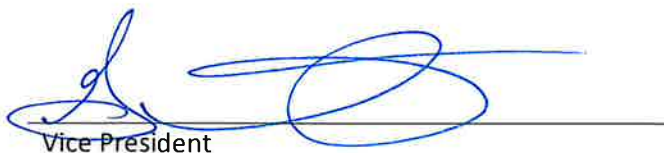
- Kirk Hudson will follow up with Ann Congdon to clarify satisfaction scores related to District values – completed 7/15/24

Executive Session

- President McKenna convened an executive session at approximately 2:05pm 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) and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for approximately 2 hours.

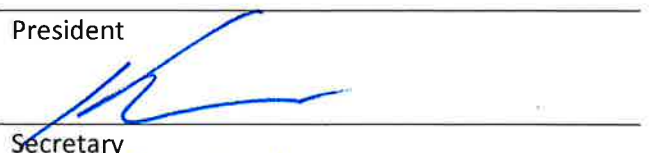
President McKenna confirmed no votes were taken and no decisions were made during Executive Session

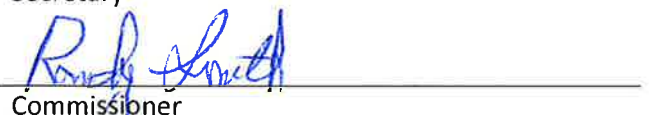
There being no other business, the meeting was adjourned at 4:05pm


Vice President

Commissioner

President


Secretary


Commissioner