

Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington September 3, 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 September 3, 2024, at the hour of 10:00 am, pursuant to proper notice.

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

Staff present: Erik Wahlquist, Acting General Manager
Charles von Reis, Acting General Counsel
Lisa Sanders, Acting Clerk of the Board
Various staff

Others: Steve Keene

Call to Order

- President McKenna called the meeting to order at 10:00am

Pledge of Allegiance and Safety/H&OP Minute

- Stephen Black, Construction Manager III, led the pledge and provided information on winter preparedness

Agenda

- Resolution 10 was moved to the consent agenda; the agenda was approved as revised

Quarterly Electric Load Growth Update

- Lyle Moore, Customer Service Engineering Supervisor, and Chad Rissman, Director District Asset Management, presented quarterly load growth information
- The North Shore substation was energized in July
- Residential and commercial connections are lagging in 5-year trend
- Increased commercial construction
- Electrical vehicle charging infrastructure emerging in all areas
- Planned utility infrastructure investments are positioned to meet demands of high-growth areas

District-Wide Financial Policies

- Heather Irelan, Director Treasury/Treasurer, discussed the District's Financial Policy and recommended refinements
- District Financial policies are reviewed on a continuous cycle to align and refine based on strategic plans, customer preferences, as well as financial and operational conditions

- The District's internal Financial Policies Working Group recommends increasing the Financial Liquidity target floor to \$225M and decreasing Days Cash on Hand metric to >150 days
- Key takeaways include:
 - Stable finances increase our flexibility
 - Strong policies support a solid AA credit rating
 - Continue to evolve Financial Policies

Annual Plan of Finance Update

- Heather Irelan discussed external borrowing and internal loan funding to pay for upcoming projects
- Treasury recommends an internal loan from Financing Facilities System to Rock Island System with specific terms:
 - Maturity of 25 years
 - Interest rate to be set on September 30 (estimated at approximately 6%)
 - Not to exceed \$125M
- Treasury also recommends a Bridge Loan from the Distribution System to the Financing Facilities System with specific terms:
 - Maturity of 20 years with early payment option
 - Interest rate to be set on September 30 (estimated at approximately 4.3%)
 - Not to exceed \$100M

Strategic Visioning Update

- Justin Erickson, Chief Strategy & Stakeholder Officer, provided an update on next steps including:
 - September – Customer-owner survey
 - October & November – Crafting formal 2075 Vision document, reviews, finalization
 - December – Anticipated adoption of 2075 Vision
 - 2025+ – Implementation, integration into business & work plans, policy governance, etc.

Public Comment

- Steve Keene, Wenatchee, asked what could be done to increase participation in the surveys and public meetings

Consent Agenda

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

- Minutes of the August 19, 2024 Regular Meeting and August 27, 2024 Special Meeting
- Vouchers: Accounts Payable Summary Report dated August 27, 2024:
 - Vouchers totaling \$51,556,817.17;
 - Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 13, 2024 through August 26, 2024 in the amount of \$101,682.35;
 - Approval of the net Payroll, Warrant Nos. 238547 through 238562 and Advice Nos. 783246 through 784102 for the pay period ending August 11, 2024 in the amount of \$2,737,740.80;
 - Approval of Warrant Nos. 31910 through 31985 totaling \$40,649.36 for claim payments from the workers' compensation self-insurance fund for the period ending August 26, 2024;
 - Approval of Parks Reservation System customer refunds for the period August 13, 2024 through August 26, 2024 in the amount of \$1,085.00.
- Resolution 10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 9 AND 10, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 11 TO CONTRACT NO. 21-16 WITH TRENCHLESS CONSTRUCTION SERVICES, L.L.C. FOR UNIT PRICE DIRECTIONAL DRILLING UTILITY INSTALLATION

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve the consent agenda as revised to include Resolution 10

Approved: Unanimously

Manager Items

- Lindsey Mohns, Director Business Services and Customer Utilities, reminded the Board of rate meetings scheduled September 4 and public rate hearing on September 16; from there the Board sets the schedule and the earliest staff could return for approval is in October

Commission Items

- Special Meeting

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To set a special meeting on Tuesday, September 17, 2024 @ 5:30pm at Orchard Bar and Bites, 1229 Walla Walla Ave, Wenatchee, for the purpose of holding a Mid-C GM & Commissioners meeting

Approved: Unanimously

Commission Travel

- Lisa Sanders, Legal Office Administrator, reviewed upcoming Commissioner travel

Follow up on Delegation of Action Items from 8/19/24 Board meeting

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

Delegation of Action Items

- None

Recess @ 11:50am; Reconvene @ 11:55am

Executive Session

President McKenna convened an executive session at approximately 11:55am 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 30 minutes.

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 12:10pm

Vice President

Commissioner

President

Secretary

Commissioner

