

# Minutes of the Regular Commission Meeting of Public Utility District No. 1 of Chelan County, Washington September 16, 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 16, 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 (remote)

**Staff present:** Kirk Hudson, General Manager  
Ryan Smolinsky, Acting General Counsel  
Rebekah Neumann, 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**

- Sara O'Neal, Senior Management Analyst, led the pledge and provided information on emergency preparedness month

## **Agenda**

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

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

- Kirk Hudson, General Manager, recognized August winners Tammy Harn, Contract Specialist II, Vern Matthews, PS Foreman Wireman, Jim Graves, PS General Foreman, and Brett Sanford, Senior Safety & Health Coordinator

## **Public Hearing: Rate Plan Proposal**

- Hearing started @ 10:15am
- Lindsey Mohns, Director Business Services and Customer Utilities, reviewed electric, water, and wastewater rate proposals and outreach
- Proposal is for increases of 4% for water, 4% for wastewater and 3% for electric
- Reviewed information presented at rate information meetings and summarized feedback received
- Public Comment
  - Steve Keene indicated he has heard questions asking why there isn't a tiered rate for electricity
- President McKenna concluded the Public Rate Hearing @ 10:46am

## Strategic Visioning Update

- Justin Erickson, Chief Strategy & Stakeholder Officer, gave an update on the Imagine 2075 customer-owner survey responses
- The survey runs through September 30; have received about 1,000 responses so far
- Results will be used to prioritize among seven key areas
- Reviewed extensive outreach effort on the survey; thanks to staff for coverage at community events

## Consent Agenda

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

- Minutes of the September 3, 2024 Regular Meeting and September 4, 2024 Special Meeting
- Vouchers: Accounts Payable Summary Report dated September 10, 2024:
  - Vouchers totaling \$19,667,565.29;
  - Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 27, 2024 through September 09, 2024 in the amount of \$58,452.45.
  - Approval of the net Payroll, Warrant Nos. 238563 through 238573 and Advice Nos. 784103 through 784958 for the pay period ending August 25, 2024 in the amount of \$2,803,681.81.
  - Approval of Warrant Nos. 31986 through 32064 totaling \$23,209.90 for claim payments from the workers' compensation self-insurance fund for the period ending September 09, 2024.
  - Approval of Parks Reservation System customer refunds for the period August 27, 2024 through September 09, 2024 in the amount of \$2,660.00.
- Resolution 9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 23-13000 WITH SE, INC. DBA SMITH EXCAVATION OF CASHMERE, WA AND AUTHORIZING RELEASE OF BOND IN LIEU OF RETAINAGE
- Resolution 10. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA NO. 22-12349) WITH AECOM TECHNICAL SERVICES, INC. FOR HYDRO PROJECT STRUCTURAL ENGINEERING AND STABILITY ANALYSES

### MOTION

Moved by: Commissioner Arseneault

Seconded by: Commissioner Smith

To approve the consent agenda as revised to include Resolution 10

Approved: Unanimously

## Resolution 11

- Brandon Little, Principal Civil Engineer, presented Resolution 11
- Resolution 11. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 23-13046) WITH HDR ENGINEERING, INC. FOR PROJECT ENGINEERING AND CONTROLS

## Resolution 12

- Mark Peaslee, Project Manager, presented Resolution 12
- Resolution 12. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR THE WATER SYSTEM SCADA UPGRADE PHASE 1 (BID NO. 23-12958) AND AUTHORIZING THE WATER SYSTEM SCADA UPGRADE PHASE 1 BE OBTAINED BY NEGOTIATION

## Resolution 13

- Heather Irelan, Director Treasury / Treasurer, presented Resolution 13
- Resolution 13. A RESOLUTION RESTATING AND REVISING LONG RANGE FINANCIAL POLICIES FOR THE DISTRICT WHICH AMENDS AND SUPERSEDES THE PRIOR RESOLUTIONS

**Resolution 14**

- Heather Irelan presented Resolution 14
- Resolution 14. A RESOLUTION AUTHORIZING LOANS FROM THE DISTRIBUTION SYSTEM TO THE FINANCING FACILITIES SYSTEM IN AN AMOUNT NOT TO EXCEED \$100,000,000 AND FROM THE FINANCING FACILITIES SYSTEM TO THE ROCK ISLAND SYSTEM IN AN AMOUNT NOT TO EXCEED \$125,000,000, TO FINANCE CERTAIN ROCK ISLAND CAPITAL IMPROVEMENTS FOR 2024, 2025, AND 2026

**MOTION**

Moved by: Commissioner Smith  
 Seconded by: Commissioner Arseneault  
 To approve Resolutions 11, 12, 13 and 14 as presented  
 Approved: Unanimously

**Manager Items**

- Brett Bickford, Managing Director Generation and Transmission, reported on a land use agreement
  - Helion 1 LLC has approached the District about the possibility of using District property near Rock Island dam; the District plans to sign an agreement giving Helion one year to study the property
- Kirk Hudson, provided an update on the Columbia River Treaty
  - The Canadian Entitlement Allocation Extension Agreements (CEAEA) expired yesterday, September 15
  - The Mid-C PUDs filed a legal complaint in June against the Bonneville Power Administration and US Army Corp of Engineers for failing to act on a May 2023 petition for rulemaking to determine the conditions the US Entity would require of the Mid-Cs after September 15, 2024; complaint is in process
  - Chelan PUD is willing to pay for any improved power generation benefits from improved river flows as a result of the treaty; no information has been provided by the US Entity to quantify those benefits

**Follow up on Delegation of Action Items from 9/3/24 Board meeting**

- None

**Delegation of Action Items**


- Sri Krishnan will provide information on the 2020-2024 Board Designated Rate Fund
- Lindsey Mohns will share the dollar amount of the gap between revenues and costs for each system

**Executive Session**

President McKenna convened an executive session at approximately 11:30am 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 12:04pm

  
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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