

**Minutes of the Regular Commission Meeting of  
Public Utility District No. 1 of Chelan County, Washington  
October 7, 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 October 7, 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  
Erik Wahlquist, General Counsel  
Rebekah Neumann, Clerk of the Board  
Various staff

**Others:** Stacie de Mestre  
Jim Kuntz  
Steve Robinson  
Steve Keene  
Travis Hornby  
Dave Kenoyer

**Call to Order**

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

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

- Ryan Smolinsky, Staff Attorney, led the pledge and provided information on safe bicycle commuting

**Agenda**

- The agenda was approved as presented

**Fiber Update**

- Chris Blayne, Managing Director Fiber & Telecom, provided an update on recent optical network terminal outages
- 4,144 devices are affected and have been experiencing intermittent outages
- Worked with service providers to identify high-priority locations and replaced those first; crews are working overtime and an additional day per week to focus on replacements
- Reviewed accelerated replacement plan and outreach efforts
- Have worked with Nokia to stabilize services as an interim step

### **Beebe Park Update**

- Justin Erickson, Chief Strategy & Stakeholder Officer, and Ryan Baker, Parks Manager, provided an update on Beebe Park
- Answered questions around boat launch, camping reservations, dump station access, and timeline
- Discussions about Beebe Bridge Campground and future operations as a State Park are progressing
- Ongoing efforts to enhance operational efficiencies and provide the best user experience
- Strongly value our partnership with State Parks
- Anticipated transition would occur after the 2025 season to allow for broad communication; will return with an update in early 2025

### **District Wildfire Mitigation Plan**

- Ron Gibbs, Manager Insurance & Risk Management, reviewed the District's draft wildfire mitigation plan
- Reviewed statutory requirements, recommended plan elements, wildfire mitigations and future process
- PUD on track to meet HB 1032 obligations
- While work remains, PUD has made significant progress advancing wildfire mitigations
- Planning process supports continuous improvement

### **Fifth Street Redevelopment**

- David Lodge, Project Management Manager, and Laine Heikel, Senior Project Manager, provided an update on Fifth Street redevelopment
- Recommendations:
  - Demolish the former Fifth Street headquarters building
  - Prepare the Fifth Street headquarters parcel for future development
  - List and market the remaining three parcels
- Reviewed proposed cost and next steps; requesting \$3.5M in the 2025 budget to proceed with this project
- Steve Robinson, on behalf of the YMCA, and Travis Hornby, on behalf of the City of Wenatchee, expressed their trust in Commissioners to do what is best for the community

### **Transmission Tariff Update**

- Steve Wickel, Manager Transmission & Distribution Engineering, provided a transmission tariff update
- Recommendation to remove large loads from the transmission interconnection process in our tariff
- Reviewed reasons for recommending removal of load from the Large Generator Interconnection Process and impacts of implementation; this is a process change, which will not impact revenues
- Removing loads gives us more flexibility to move forward as requesters are ready
- Next step is a resolution for consideration on October 21

### **Strategic Vision, Business, and Budget Planning: Rate Planning Follow Up**

- Lindsey Mohns, Director Customer Service, provided follow up information on the rate proposal
- Addressed questions regarding system rate gaps, support provided since 2007, residential tiered rates, frost protection, and irrigation
- Additional information will be provided at the October 21 board meeting
- Dave Kenoyer asked if refunds would be given for frost prevention bills received prior to any rate plan change

### **Recess @ 12:04pm; Reconvene @ 1:01pm**

### **Consent Agenda**

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

- Minutes of the September 13, 2024 Special Meeting and September 16, 2024 Regular Meeting
- Vouchers: Accounts Payable Summary Report dated October 01, 2024:
  - Vouchers totaling \$34,963,332.85;

- Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 10, 2024 through September 30, 2024 in the amount of \$107,442.83.
- Approval of the net Payroll, Warrant Nos. 238574 through 238581 and Advice Nos. 784959 through 785824 for the pay period ending September 08, 2024 in the amount of \$2,787,897.29.
- Approval of the net Payroll, Warrant Nos. 238582 through 238595 and Advice Nos. 785825 through 786677 for the pay period ending September 22, 2024 in the amount of \$2,787,347.64.
- Approval of Warrant Nos. 32065 through 32188 totaling \$32,580.89 for claim payments from the workers' compensation self-insurance fund for the period ending September 30, 2024.
- Approval of Parks Reservation System customer refunds for the period September 10, 2024 through September 30, 2024 in the amount of \$875.00.
- Resolution 12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 & 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 23-12745 WITH DIMENSIONAL COMMUNICATIONS, INC OF MOUNT VERNON, WA, AND AUTHORIZING PAYMENT OF RETAINAGE
- Resolution 13. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 23-12998 WITH RIDGELINE CUSTOM BUILDERS LLC AND AUTHORIZING PAYMENT OF RETAINAGE

MOTION

Moved by: Commissioner Smith

Seconded by: Commissioner Allen

To approve the consent agenda as presented

Approved: Unanimously

**Resolution 14**

- Toby Tarzwell, Senior Project Manager - Fiber, presented Resolution 14
- Resolution 14. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 5 AND 6, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 7 TO CONTRACT NO. 22-12101 WITH PALOUSE POWER, LLC FOR UNIT PRICE ELECTRICAL DOCK CREW

**Resolution 15**

- Michael Shrader, Fleet Equipment Specialist, presented Resolution 15
- Resolution 15. A RESOLUTION APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 1 FOR CONTRACT NO. 23-12754 WITH ALTEC INDUSTRIES, INC. OF DIXON, CALIFORNIA FOR UPFITTING OF DISTRICT SUPPLIED CHASSIS

**Resolution 16**

- Hardy Thayer, Senior Electrical Engineer, presented Resolution 16
- Resolution 16. RESOLUTION DECLARING G&W ELECTRIC COMPANY OF CHICAGO, ILLINOIS AS THE SOLE SOURCE SUPPLIER OF VIPER RECLOSERS FOR USE ON THE DISTRICT'S DISTRIBUTION SYSTEMS

MOTION

Moved by: Commissioner Allen

Seconded by: Commissioner Arseneault

To approve Resolutions 14, 15, and 16 as presented

Approved: Unanimously

**Strategic Vision, Business, and Budget Planning: District Business Plans**

- Senior Management Team presented the 2025 business plans
- Business Plans 2024-2028 (Year 2 - 2025) supports the current Strategic Plan:
  - The Best, For the Most, For the Longest provides clear direction

- Focus on hydro capability, distribution reliability, wildfire mitigation, human & organizational performance, safety, and broadband build-out
- Sustained financial resiliency to adapt to changing circumstances
- Extensive workload and resource constraints continue
- Developing tactical plans to support 50-year Strategic Vision

### **Manager Items**

- Kyle Endelman, Parks Superintendent, provided a couple of updates
  - Whitewater Release
    - 2024 whitewater boating event was held on the Chelan River September 21 and 22
    - 13 boaters participated on Saturday and 11 boaters on Sunday
    - A recent amendment to the Chelan FERC license, agreed upon with American Whitewater, allowed the PUD to begin ramping down water releases earlier; this agreement reduced water usage for the event after the last boater was off the water
    - A 10-year report is required in 2025
  - American Dahlia Society recognition
    - The American Dahlia Society (ADS) honored Chelan PUD with the ADS commemorative medal for its outstanding contributions to the promotion, growth, and expansion of dahlias

### **Commissioner Travel**

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

### **Commission Items**

- Special Meeting and 2025 Board Meeting Schedule

#### **MOTION**

Moved by: Commissioner Smith

Seconded by: Commissioner Arseneault

To set a special meeting on Thursday, October 31, 2024 @ 8:30am at Chelan PUD Service Center, 203 Olds Station Road, Wenatchee, for the purpose of holding a Board Workshop

Approved: Unanimously

#### **MOTION**

Moved by: Commissioner Arseneault

Seconded by: Commissioner Allen

To approve the regular Board meeting schedule for calendar year 2025 with modifications to the following meetings:

- March 3, 2025 to be held at Chelan PUD Office, 1034 E Woodin Avenue, Chelan WA
- May 5, 2025 to be held at Leavenworth PUD Office, 222 Chumstick Hwy, Leavenworth WA

All meetings to commence at 10:00am and the remaining meetings to be held in the service center board room, 203 Olds Station Road, Wenatchee, WA unless further modified by future Board action

Approved: Unanimously

### **Follow up on Delegation of Action Items from 9/16/24 Board meeting**

- Sri Krishnan will provide information on the 2020-2024 Board Designated Electric Rate Support Fund – completed via email 9/27/24
- Lindsey Mohns will share the dollar amount of the gap between revenues and costs for each system – included in today's presentation

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

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

**Delegation of Action Items**

- Justin Erickson will send Commissioners the list of Washington State Parks Commission members
- Erik Wahlquist will determine if any refunds will be implemented for off-season frost prevention and irrigation bills
- Justin Erickson will provide information on the number of visitors to the Service Center along with information about how the Service Center is meeting overall expectations

**Executive Session**

President McKenna convened an executive session at approximately 2:40pm 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 consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c) for approximately 30 minutes.

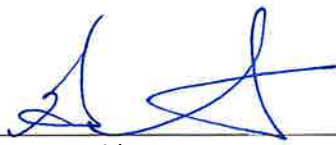
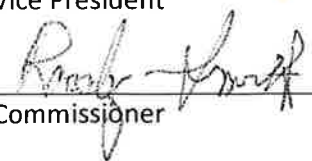
President McKenna confirmed no votes were taken and no decisions were made during Executive Session




Return to regular session @ 3:15pm

**Workshop**

- Commissioners reviewed and discussed information on strategic visioning

There being no other business, the meeting was adjourned at 4:02pm

  
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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