

Public Utility District No. 1 of Chelan County (Chelan PUD)

General Manager

About Chelan PUD

Chelan County PUD was created by a vote of the people in 1936 and delivered its first power in 1947. The PUD is governed by a locally elected five-member Board of Commissioners with the mission of enhancing the quality of life in Chelan County by providing sustainable, reliable utility services. The Board accomplishes this by making decisions intended to provide the best value for the most people for the longest period of time.

The District is guided by four core values:

Safety: Protect public and employee health and safety.

Stewardship: Acting on behalf of customer-owners, protecting public resources entrusted to it.

Trustworthiness: Competence, integrity, respect, and collaboration.

Operational excellence: High-quality, innovative work execution through supporting personal accountability.



Governance

The Board of Commissioners sets policy for Chelan PUD. Three commissioners are elected to staggered six-year terms and two are elected at-large to staggered four-year terms. The Board hires the General Manager, oversees the development of the strategic plan, establishes rates; acts as a Board to establish policy, approve plans, budgets, and expenditures; and reviews operations. The Board and the General Manager are jointly responsible for hiring the General Counsel. The General Counsel has a straight-line reporting relationship to the General Manager and a dotted line relationship to the Board. Pursuant to statute the Board designates a Treasurer experienced in financial matters responsible for complying with applicable statutes regarding the finances of the District and providing independent financial advice to the Board and management. Pursuant to statute the Board appoints an Auditor responsible to approve orders or vouchers and approve warrants.

The Board meets twice a month in regular sessions, along with standing and ad hoc committee meetings as needed. The General Manager uses the policies and guiding principles set by the Board to operate a utility system that includes water, sewer, and wholesale fiber-optic services in addition to generating and delivering electricity to more than 52,000 retail customers in the county and to other utilities that serve customers across the Pacific Northwest.

Assets

The District owns and operates three hydroelectric dams, two larger projects on the Columbia River and a smaller project at the base of scenic Lake Chelan. The hydroelectric generators have a combined generator nameplate capacity of 1,988 MW. Native load is about 185 MW and peak load is about 400 MW. The power not used by native load is marketed and provides net income permitting competitive retail rates. With its substantial surplus electricity, Chelan actively engages in wholesale power marketing including regional and federal policymaking. The District also operates small hydroelectric and diesel generators to provide electric service to the remote community of Stehekin which is located at the head of Lake Chelan, inaccessible by car, and not connected to the larger electric system.

The hydroelectric projects are: Lake Chelan, which became commercially operational in the 1920s and has a capacity of 59 MW; Rocky Reach which began commercial operation in 1961, has been expanded and now has capacity of 1,300 MW; and Rock Island Hydro Project, which began operation in 1933, followed by expansion of the first powerhouse in 1952 and addition of the second powerhouse in 1979 for combined capacity of 629 MW. Lake Chelan's Federal Energy Regulatory Commission (FERC) license expires in 2056, Rocky Reach in 2052, and Rock Island in 2028. Chelan PUD also has access to about eight MW of capacity from the Nine Canyon Wind Project operated by Energy Northwest.

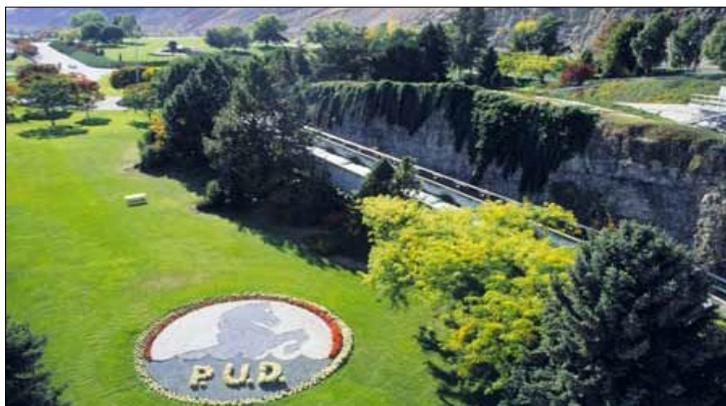
Chelan PUD is making significant hydropower investments to improve its generating capability, and in turn optimize its wholesale opportunities. In 2020, the PUD made progress on modernizing several units at Rock Island in Powerhouse 1 and began design work for rehabilitation of eight bulb generating units at Powerhouse 2. Work also advanced on replacement of turbine hub bushings on generating units at Rocky Reach.

The PUD serves more than 52,000 electric customers through 1,849 miles of service lines, more than half of which is underground, and 34 substations. There are multiple interconnections with BPA at 345, 230 and 115 kV.

Water and wastewater service is provided to 6,910 customers.



Fiber services are provided to approximately 18,837 premises and is available to about 30,000 premises in the county of which 89 percent use it for internet access, 52 percent for telephone service and 45 percent for television offered by private service providers. The fiber system generates about \$10.5 million in annual revenue.



Chelan PUD rates are set by the locally elected Board. As a public power utility, the PUD Board engages its customers in its ongoing rates review process. It is not rate regulated by the Washington Utilities and Transportation Commission. The PUD sets its rates to meet expenses and a bond coverage ratio of at least 2.0. Electric residential rates average 3.2 cents a kilowatt hour compared to 10.6 cents in the Northwest and 13.4 cents nationally.

Chelan PUD issues debt secured by revenues payable separately from the Rock Island System, Rocky Reach System, and the Consolidated System. The Consolidated System includes the retail electric utility business known as the Distribution Division; Lake Chelan Hydro-Electric Project; and the Fiber, Water and Wastewater systems.

In 2020, the PUD generated revenue of more than \$353 million of which \$255 million was from wholesale operations. Total assets are \$2.0 billion and long-term debt is \$507 million. As of 2021, Moody's, Standard & Poor's and Fitch rated Chelan PUD Aa3, AA+, and AA+ respectively. Public Financial Management (PFM) is the Financial Advisor.

Chelan's net income from the wholesale market is being applied to capital programs and debt reduction.

More on Chelan PUD at: <https://www.chelanpud.org> and <https://www.chelanpud.org/about-us/strategic-plan>.

Issues

Wholesale power sales continue to allow Chelan PUD to reduce its long-term debt and keep retail rates low. These surplus energy sales also support a public power benefit program, which provides free parks passes, an expanded broadband network, public art, electric vehicle charging stations and other community benefits.

The completion of a range of capital expansion projects is expected to optimize wholesale power sale opportunities in the future, provided the projects are completed within budget and on schedule.

Chelan PUD's successes have been realized in large part due to community engagement, including effective interaction with local, state, regional, and federal administrations, legislatures, and regulatory agencies.

Rock Island's FERC hydro license expires in 2028 and the PUD recently initiated the multi-year relicensing process.

The significant impact of the wholesale market on Chelan PUD places it outside the norm of rating agencies. While issues related to water flow for generation have been addressed through a power sales hedging strategy, regular and effective rating agency communication is essential to maintain Chelan PUD's enviable financial standing. Chelan PUD is among the highest rated consumer-owned electric utilities in the country.

Chelan PUD's load growth is a manageable 1 – 2% annually. The PUD lacks the statutory authority to actively engage in economic development, but it supports economic development within its statutory authority. Local load growth reduces the amount of surplus energy available for sale in the wholesale market. To the extent the wholesale price is higher than the PUD's retail rates, overall revenues will decline placing upward pressure on local retail rates to make up the difference.

Chelan has been identified by the Western Electric Coordination Council as the premier utility implementing national reliability standards in the Western Interconnection, Chelan benchmarks its reliability and is seeking to move into the national top quartile. Replacements to infrastructure are based on reliability and the cost/benefit of capital investments.

As a good steward of the resources entrusted to it, Chelan PUD supports sustainable actions in its relationships and operations, such as its protection plans for threatened and endangered salmon, measures to protect lands and waterways and preservation efforts in areas such as the Peshastin Pinnacles. The District is committed to engaging in an ongoing dialogue with its customer-owners and stakeholders.



Similar to utilities nationwide, Chelan PUD is actively addressing workforce demographics through national recruiting and internal training. In response to the aging and retiring workforce, the PUD is also engaged in workforce planning to ensure resources are available to meet projected needs.

Customer satisfaction remains strong, with 86% of customers in 2020 reporting they were satisfied or very satisfied with the PUD, particularly with regards to service reliability and quality of communications. A complementary stakeholder survey of 60 local organizations earned the utility extraordinarily high marks for efforts to work collaboratively with the community.

General Manager

The General Manager is the chief executive officer of Chelan PUD, reports to the Commission and is responsible for approximately 759 employees. Local 77 of the International Brotherhood of Electrical Workers (IBEW) represent more than 400 employees.

Requirements

A bachelor's degree in business, economics, engineering, finance, public administration, or other related fields of study is important and post-graduate education is an added benefit. A combination of an undergraduate degree in engineering or a related technical field and a master's in business could be ideal.

Candidates should possess significant electric industry experience, including a history of progressively responsible assignments demonstrating successful performance at the senior management level. Proven success in executive leadership of project management is a plus.

Experience with public power utilities is desirable. Demonstrated successful interaction with a board of directors or similar governing body is ideal.

Experience should include involvement in multiple segments of the electric industry (generation, transmission, and distribution), with an emphasis on power supply, wholesale power marketing and risk management.

Knowledge of and understanding of power markets, especially in the Western Interconnection.

A proven record of accomplishment of success leading an organization like Chelan PUD in purpose, size and composition is highly desirable.

Fiscal and fiduciary responsibilities require business acumen. The General Manager faces a constant challenge in balancing a diverse set of community interests.

The General Manager must continue Chelan's culture and example of the PUD in a variety of public settings. Coordination and communication with retail and wholesale customers is an important aspect of the responsibilities. A talent and propensity for participation in outside organizations such as the American Public Power Association, Large Public Power Council and regional industry trade associations is helpful.

High ethical standards; leadership stature; strategic and tactical planning; a talent for managing change; problem solving and decision-making skills; tenacity; and an ability to motivate are essential. The General Manager must be able to optimize physical systems, maintain and improve economic development success through addressing large employer concerns and organizational and human resource efficiencies.

Excellent interpersonal skills and exemplary communication abilities are essential. Candidates must have professional and executive level oral and written communication talents and have a participative communication style including the ability to listen, problem solve, make decisions, set vision, and execute strategy. It is imperative that the General Manager be able to convey complex technical and industry issues to lay people.

Candidates must be consensus builders, mentors, coaches, and team players. Proven success in building credibility with governing bodies, management, staff, front line personnel, legislators, regulators, customers, and the public is essential. More specifically, he or she must be able to develop positive long-term relationships to strategize, work with and balance the varying needs of the community, the Commission, staff, legislators, administrators, local elected officials, regional and national organizations, staff, and the media.

Proven success in government relations is preferred.



Chelan County, Washington

Chelan County PUD is in the geographical center of Washington state at the confluence of the Columbia and Wenatchee rivers. A public power leader, the complex and progressive nature of PUD operations offer a unique mix of challenges and opportunities for employees. It is a great place to work, live and play.

Wenatchee, which is the Chelan County seat, is 138 miles east of Seattle and 165 miles west of Spokane. Wenatchee is rated by National Geographic as one of the top 10 mountain towns in the U.S. and is a recreation paradise. In addition to Wenatchee, Chelan County also includes additional vibrant communities such as Leavenworth, Cashmere, Chelan and Entiat, among others, each of which offer their own unique perspective and attractions.

Enjoy water sports on the Wenatchee and Columbia rivers, hiking, biking, rock climbing and golf. Downhill and cross-country skiing are just minutes away. The natural beauty of Chelan County provides a vivid backdrop to its diversified economy, where the quality of life is high, and the climate is moderate with four distinct seasons and about 300 days of sunshine a year. It is the best of the Northwest – without the rain.

The local economy is based primarily on agriculture with a concentration on tree fruit and a thriving winery sector. Large employers include a regional medical center, tourism, steel, and machinery fabricating and food processing.

The greater Wenatchee area is served by several school districts. Higher education opportunities include a two-year community college and four-year distance learning programs. Wenatchee Valley College offers high-quality transferable liberal arts, technical/professional, basic skills, and continuing education for students of diverse ethnic and economic backgrounds.

Chelan County has a population of more than 78,000. Douglas County's population is about 45,000. The Wenatchee – East Wenatchee metropolitan region has a population in excess of 116,000. Wenatchee's most recent unemployment rate was 4.0 percent, Wenatchee cost of living is 6 percent lower than the national average. The median home price is \$390,000.

Compensation and Relocation

Chelan PUD will provide a competitive base salary and a full complement of fringe benefits that includes participation in the state of Washington's Department of Retirement Systems (PERS), which requires employee contribution. Chelan PUD also provides a 457 deferred compensation plan.

Chelan PUD will incur the customary costs associated with relocation, but not real estate expenses.

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Chelan PUD is an Equal Opportunity/Affirmative Action Employer. Minorities, Females, Veterans and Disabled Persons are encouraged to apply.

