

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
December 29, 2020
TELECONFERENCE ONLY

Present: Curtis J. Knapp, President
Richard A. Larson, Vice President
Joseph B. Onley, Secretary

Staff Present: F. Colin Willenbrock, General Manager
Management/District Staff
Tyler Whitney, General Counsel & Assistant General Manager
Karen Willner, Clerk of the Board

Others: Christopher McKey, Energy West, LLC
Jeff Atkinson, Energy West, LLC

The meeting was called to order at 8:30 a.m. by Curtis J. Knapp, President. A roll call was taken.

CONSENT AGENDA:

The minutes from the December 15, 2020 meeting and today's revised agenda were reviewed.

Vouchers audited certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been made available to the Board. As of this date, December 29, 2020, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The minutes of December 15, 2020 meeting and the revised agenda for December 29, 2020.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 5220 through 5250 in the total amount of \$394,661.50; ACH payments in the total amount of \$167,311.23; Wire Transfers in the total amount of \$95,486.10; and ACH payroll transactions in the total amount of \$233,122.53 for the payroll ending December 15, 2020.

OATH OF OFFICE FOR COMMISSIONER CURTIS J. KNAPP:

Commissioner Curt Knapp was sworn into office for 2021 – 2026 by Karen Willner, District Clerk of the Board.

BOARD WORKSHOP:

Commissioner Knapp inquired if the Board had any topics for discussion. Commissioner Onley asked for discussion on Shell Energy, budget and rates.

Colin Willenbrock, District General Manager reported this is the last Board meeting of 2020. He provided a COVID-19 update and reported in the community the infection rate over the last 14 days has shown 69 new confirmed cases. Our team has done a good job of contact tracing and moving into quarantine mode. However, it is beginning to have an impact on operations and administrative staff. The virus is highly contagious and we are trying to protect business continuity. This continues to be at the forefront.

He reported Christopher McKey, Energy West, LLC will be joining today's meeting to answer any Shell Energy pricing questions and Tyler Whitney, District General Counsel & Assistant General Manager will also be available to answer any final questions regarding deal structure.

Commissioner Onley noted his appreciation in getting all the information on the Shell transaction which will give the District some certainty.

Commissioner Larson noted his appreciation of all staff and others who have been involved in getting the Shell deal done given the current COVID-19 situation. He appreciates the staff's hard work to give the District financial certainty.

Commissioner Knapp appreciates the tremendous work by staff in spending long hours to do best they can and he appreciates the confidence by Christopher McKey in working with the District.

Mr. Willenbrock reported the deal is the next phase of our transition off of PNC dependence and allows for stability and strategic planning for the next five years. Unfortunately, the deal does not fully cover Box Canyon costs.

Discussion was held regarding rates.

Discussion was held regarding the budget.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported we have one more positive COVID-19 case today for a total of seven positive cases in the last 21 days. We have a few more tests that are pending. He explained the process of contact tracing with positive cases and reported that we need to do additional reporting per the Department of Health and Tri-County Health District. We are looking at rolling out more COVID-19 training.

Commissioner Larson inquired about personal leave options. Suzie Thompson, District Human Resources Manager reported we have short-term disability leave, Family and Medical Leave Act and federal government emergency sick leave which expires December 31.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning provided an electric vehicle charging station update and reported there were 11 sessions with four distinct users in December. She reported the handles are freezing up due to the cold temperatures and we will be putting up temporary out of service signs while we work to resolve the issue.

Mr. Willenbrock reported Amber Gifford, District Communications, Contracts & Conservation Manager inquired that with the cancelation of the PUD Day on the Hill event in February if we want to continue doing the huckleberry chocolates for legislators or maybe just doing something for our three state legislators. Discussion was held. Ms. Gifford will send a card to our three state legislators.

COMMISSION REPORT:

Commissioner Larson reported the Economic Development Council (EDC) December meeting was rescheduled for January.

Commissioner Onley attended the virtual Greater Newport Area Chamber of Commerce annual meeting on December 15.

Commissioner Knapp attended a virtual Energy Northwest meeting on December 16 and provided highlights. He watched a recording of the Washington Public Utility Districts Association (WPUDA) lobbying conference.

COMMISSION BUSINESS:

Commissioner Knapp will attend the virtual Board meetings on January 5 and 19, the virtual WPUDA meetings on January 13 – 15, an Energy Northwest meeting on January 27 – 29 which is tentatively scheduled to be held in person in the Tri Cities.

Commissioner Larson will attend the virtual Board meetings on January 5 and 19, a virtual Broadband Action Team meeting on January 14, a virtual EDC meeting on January 20 and a virtual Tri-County Economic Development District meeting on January 27.

Commissioner Onley will attend the virtual Board meetings on January 5 and 19 and the virtual WPUDA meetings on January 13 – 15.

Commissioner Knapp reported he had conversations with customers this past week regarding fiber and the Eagles Landing development site in Cusick. Discussion was held regarding a fiber customer.

Commissioner Onley was contacted by his neighbor regarding a damage claim which is on today's agenda.

ACTION ITEMS:

- Resolution No. 1448 – Approving Power Supply Agreements with Shell Energy North America (US), L.P. Mr. Whitney explained the two exhibit agreements that go with the resolution. Christopher McKey, Energy West, LLC provided a presentation on the strategic transaction with Shell Energy and reported that Energy West's recommendation is for the Board to approve the transaction. Jeff Atkinson, Energy West, LLC reported this is a great deal for the District's ratepayers. A motion was made by Commissioner Onley and seconded by Commissioner Larson to adopt the resolution and authorize the general manager to execute the two agreements. Commissioner Knapp thanked Mr. McKey and Mr. Atkinson for their work and great job in working with the District. They expressed their appreciation in working with the District. The motion passed unanimously.
- Damage Claim DC-216521. Mr. Whitney reported this damage claim was submitted to the City of Newport. A motion was made by Commissioner Larson and seconded by Commissioner Onley to deny the damage claim in the total amount of \$4,977.12 and let the City of Newport handle it. The motion passed unanimously.
- Damage Claim DC-221954. Commissioner Onley recused himself from taking action as this is his neighbor's damage claim that he encouraged him to file. David Hodder, District Engineering Manager provided the details of the claim. He contrasted this damage claim with a previous damage claim caused by a faulty bolt. Commissioner Onley recommended fixing the splicing of the line since this occurred a number of years ago due to a storm and was never fixed. Discussion was held. This item was tabled until the January 5 Board meeting.
- Campbell Park Use Policy Revision. Tim McMaster, District Power Production Manager reported the revisions are for annual housekeeping. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the revised policy. The motion passed unanimously.
- Board Officer Elections for 2021 – 2022. Commissioner Larson inquired if this item could be delayed for a few months due to COVID-19. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to continue with the current Board officers until the first meeting in June 2021 where it will be addressed again. The motion passed unanimously.
- Resolution No. 1444 – Board Meeting Calendar for 2021. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner

Larson to amend the resolution with amended calendar. The motion passed unanimously.

- District Organization Representation for 2021. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to appoint staff to the organizations as presented. The motion passed unanimously.
- Resolution No. 1445 – Budget for 2021. A motion was made by Commissioner Onley to approve the budget with \$1M removed from the capital budget. There motion failed for lack of a second. Commissioner Larson made a motion to adopt the resolution with the budget as presented by staff. Commissioner Knapp seconded that motion. Discussion was held. The motion passed 2-1. Commissioners Larson and Knapp supported the motion, and Commissioner Onley was opposed.
- Resolution No. 1447 – Electric Rates for 2021. Discussion was held. A motion was made by Commissioner Larson to accept the rate adjustment for Option A of 10% effective January 1, 2021. Commissioner Knapp seconded the motion. The motion passed 2-1. Commissioners Larson and Knapp supported the motion, and Commissioner Onley was opposed.
- Industrial Electric Service Agreements. Ms. Holderman provided the details and reported that all of the contracts expire on December 31, 2020. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to authorize the general manager to execute the agreements in substantially the same form as presented. The motion passed unanimously.

BUSINESS FROM THE PUBLIC:

There was no business from the public. Commissioner Knapp announced that the Board would enter into an executive session to review the performance of a public employee, which would last for one hour.

Following a 5-minute recess, the Board entered into executive session.

EXECUTIVE SESSION – REVIEW OF A PUBLIC EMPLOYEE:

A 1-hour executive session on a review of a public employee commenced at 10:50 a.m. The following were in attendance: Board of Commissioners; and Colin Willenbrock, General Manager. The executive session adjourned at 11:50 a.m. The Board returned to open session. No final action was taken.

There being no further discussion to come before the Board, the meeting adjourned at 11:51 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form