

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
June 29, 2021
HYBRID MEETING – BOX CANYON CONFERENCE ROOM, IONE, WA
& VIRTUAL VIA MICROSOFT TEAMS

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

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

Absent: F. Colin Willenbrock, General Manager

Others: Gretchen Koenig, Member of the Public
Sheryl Miller, Member of the Public

The meeting was called to order at 9:00 a.m. by Curtis J. Knapp, President. A roll call was taken.

CONSENT AGENDA:

The minutes from the June 15, 2021 meeting and today's revised agenda were reviewed.

As of this date, June 29, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley, approved the following:

- The revised agenda for June 29, 2021 and the minutes of the June 15, 2021 meeting.
- 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. Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 5799 through 5834 in the total amount of \$381,194.66; ACH payments in the total amount of \$406,105.06; Wire Transfers in the total amount of \$106,796.06; and ACH payroll transactions in the total amount of \$220,952.38 for the payroll ending June 15, 2021.

The motion passed unanimously.

RECESS FOR FISH LADDER TOUR:

Tyler Whitney, District General Counsel & Assistant General Manager announced that a 40-minute fish ladder tour was being held at the beginning of today's meeting due to the extreme heat outside. He reported the Board of Commissioners will be kept separate so they cannot discuss any business during the tour.

The meeting resumed at 9:50 a.m.

BOARD WORKSHOP:

Commissioner Knapp asked if the Commissioners had any topics they'd like to discuss. Commissioner Larson asked for an update on the District's phone system. Commissioner Onley asked for an update on iFiber.

Mr. Whitney noted his appreciation of everyone's patience while the fish ladder tour was occurring. He reported Bryant Kramer, District Senior System Operator is attending in person today and introduced him as the new Power Production Manager. He provided Mr. Kramer's background and reported that he has been with the District for over 23 years and is a certified North American Electric Reliability Corporation System Operator. He welcomed Mr. Kramer to today's meeting and reported that he will start his new job position on July 12. The Board congratulated Mr. Kramer on his new role with the District.

Mr. Whitney reported our system is doing well given the rolling blackouts due to the extreme heat in the Spokane area. He reported the District has implemented its one-shot program. He reported there were two power outages yesterday – one on LeClerc Road and one on Deer Valley Road.

He provided a power supply update and reported we are seeing movement in the power markets.

He reported we had a successful Pine Street Substation outage last week and it was completed in time for the Newport Rodeo. Commissioner Knapp commended staff for their efforts and participation in the Newport Rodeo Parade. Mr. Whitney reported there was a high attendee turnout for the rodeo along with a number of RV's in the campground and that high speed internet was available.

He reported we received a letter of intent from Ponderay Renewable Fiber and Blockchain, LLC, a subsidiary of Allrise Capital, regarding future use at its Usk site. We received the initial power deposit for the Usk site, as well as an initial cost-reimbursement deposit, and are still finalizing the interim power agreement. The District is continuing to make available 1.5MW of maintenance power for the site. We continue to work through the process.

Gretchen Koenig, member of the public inquired if they will be required to do a feasibility study. Mr. Whitney reported it is likely that they would need to go through that process.

BUSINESS FROM THE PUBLIC:

Ms. Koenig inquired if Allrise will need to give collateral to the PUD. Mr. Whitney reported that the District has made it clear that it will not subject its general service customers to any additional cost or risk posed by Allrise. Ms. Koenig inquired if the substation and maintenance facilities are part of the bankruptcy and if the substation will need to go through a re-certification. Discussion was held. Mr. Whitney reported the maintenance on substation equipment is shared.

Sheryl Miller, member of the public inquired about the City of Newport Franchise Agreement status. Mr. Whitney reported that he had reached out to the City's legal counsel, Laura McAloon, who reported she would be working on the draft franchise in mid- to late-July.

BOARD WORKSHOP (continued):

Mr. Whitney reported we received the environmental assessment from the Federal Energy Regulatory Commission (FERC) for our Box Canyon license.

He reported Robert Fritz, District Community Network System (CNS) Supervisor will be leaving the District on July 9 to return along with his family for a new job in Pennsylvania. He thanked Robert for his years of service to the District and expanding the Community Network System. Everyone wished him well.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported on the ways we are combating the extreme heat. The operators are working more in the morning and doing their annual safety training in the afternoon. He reported Lauren Naccarato, District Meter Reader and who was nominated for a safety award switched her schedule to work earlier in the morning. He reported Shem Norton, District Meter Reader and Mike Reed, District CNS Technician needed to run some equipment through tall weeds and grass and got permission from the customer to use their water to spray down the weeds and grass before doing their work. He praised them for their safety awareness.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning reported tomorrow is billing day and then next week we will start hanging customer door hangers regarding the end of the disconnect moratorium and the customer options. She explained the meter readers knock on customer doors and take notes if the customer was or wasn't there. Commissioner Onley asked to see a sample door hanger. Ms. Holderman reported we have been using Petroglyph to make the door hangers and she will scan a door hanger to the Board and provide one at the next meeting.

COMMISSION REPORT:

Commissioner Larson attended a virtual Economic Development Council (EDC) meeting on June 16 and reported the work plan was reviewed and they are looking at various sites. He attended an EDC and City of Newport meeting with JUB Engineers to discuss the south bench site and what it would take to develop it. The county received a grant to do this project.

Commissioner Onley attended a virtual Washington Public Utility Districts Association (WPUDA) Water Committee meeting on June 24 and reported that Mark Scott, District Water Systems Manager was there. Drought challenges were discussed and water flows are near normal. Western Washington is doing ok but eastern Washington is in a drought. He congratulated Mr. Scott for being recognized for his service on the Public Works Trust Board. He attended the Newport Rodeo Parade and complimented Amber Gifford, District Communications, Contracts & Conservation Manager for her work on this event.

Commissioner Knapp and Colin Willenbrock, District General Manager attended a Pend Oreille County Republican Party meeting to provide a District update and discuss the post PNC closure at the Cusick Legion on June 17. He attended a virtual City of Newport Council meeting on June 21, an Energy Northwest Executive Board meeting on June 23 – 24 in Tri-Cities and provided an overview. He attended the Newport Rodeo Parade and events at the rodeo grounds but did not participate. He attended a virtual WPUDA Education and Steering Committee meeting yesterday.

COMMISSION BUSINESS:

Pre-Approval of Commission Travel or Meeting Attendance.

Commissioner Larson will be attending a virtual Broadband Action Team (BAT) meeting on July 8, the PUD Board meetings on July 13 and 20 in Newport, a virtual EDC meeting on July 21 and a virtual Tri-County Economic Development District meeting on July 28.

Commissioner Onley will be attending a virtual Greater Newport Area Chamber of Commerce meeting on July 6, a virtual BAT meeting on July 8, the PUD Board meetings on July 13 and 20 in Newport, and the WPUDA meetings on July 14 – 16 in Stevenson.

Commissioner Knapp will be attending a virtual BAT meeting on July 8, the PUD Board meetings on July 13 and 20 in Newport, the WPUDA meetings on July 14 – 16 at the Skamania Lodge in Stevenson, and the Energy Northwest meetings on July 27 – 29 in Tri-Cities. He reported Energy Northwest will have its Member Forum with guest speakers in October during the third week and to register early.

A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the Commissioner's July travel. The motion passed unanimously.

MANAGEMENT REPORT:

Scott Jungblom, Natural Resources Manager:

He reported a summer student has been working on fencing with Syd Maurer, District Wildlife & Habitat Specialist. This project wrapped up last week and is a project as part of

our FERC license.

He reported staff is working in the wildlife management areas including waterways, repairing the fish pipes and installing hand rails and gauges. Discussion was held about having fish in the fish ladder and to make sure everything is operational before adding fish. Mr. Whitney reported a ribbon cutting ceremony for the fish ladder project is targeted for the first week in October.

Mr. Jungblom reported a second bald eagle survey flight was done and there were a total of 37 juvenile eagles from Albeni Falls Dam to below Box Canyon Dam. It was a good year.

He reported fish was stocked at Campbell Pond as a student hatchery project.

He reported vegetation surveys on Smalle Creek projects were done.

Mark Scott, Water Systems Manager:

He reported there is high water usage on all nine water systems. The watermen are doing initial baseline testing to make sure all the systems are ok. Ms. Gifford is helping to put together a letter for water customers about their usage.

He reported there is a statewide water chlorine shortage but we are maintaining our 30-day supply.

He reported work on a leak repair on Rachel Road in Metaline Falls was done last week.

He reported sanitation surveys for the Riverbend and Riverview Water Systems were done.

Sarah Holderman, Director, Treasury, Broadband & Strategic Planning:

She reported CNS staff is busy with line extensions. Both technicians are back at work and we have summer students and meter readers helping the department. Staff is working on the plan for Mr. Fritz's replacement.

She reported the customer service staff is working with customers on payment arrangements for the disconnect moratorium which is ending.

She reported that at the next meeting we need to discuss our Neighbors in Need Low Income Assistance fund and our Customer COVID-19 Assistance program. She is looking at different options for a smaller copay amount.

Discussion was held regarding any available grant funds from the county commissioners.

April Owen, Director, Audit, Financial & Power Supply:

She provided a power supply update and reported we hit a power peaks for 33 MW yesterday around 8:00 p.m. and hit 34 MW on Sunday around 5:00 p.m. She reported power pricing has peaked and we purchased power yesterday on an hourly basis, we get a flat resource from Shell Energy and we buy or sell a few megawatts every hour. Monday's power prices were \$600 per megawatt and we are looking at \$50 per megawatt for tomorrow. We purchased power for \$350 per megawatt today. The hottest day of the week is scheduled for tomorrow. To date our balancing net power purchase is \$225,000 and for reference our average load is 25 MW during the day.

She provided a finance update and reported the May financials will be discussed at the next Board meeting. She is waiting on the state auditor to send our final report back and then we will set up an exit conference.

Commissioner Knapp noted the WPUDA budget meeting focuses on the budget process with the other PUDs and it is interesting to hear their concerns. He thanked Ms. Owen for her great reports and what she and her staff do and commented that we are spoiled by having

a great finance team. Ms. Owen commented that she is spoiled by her great team and thanked them for their dedicated work.

Commissioner Onley inquired about the flat amount from Shell Energy. Ms. Owen reported our light load hours are from 10:00 p.m. to 6:00 a.m. and our heavy load is from 6:00 a.m. to 10:00 p.m.

David Hodder, Engineering Manager:

He and staff continue to work on the energy imbalance market project with Avista.

He reported the Pine Street Substation planned outage went well and next week they will be doing troubleshooting on the Box Canyon controller. He reviewed the engineer's recommendations for the relay settings at Box Canyon and reported we do not need to change any settings.

He reported staff is getting ready to start work for the former PNC site when he gets all the information. He is working through the high density load projects.

He welcomed our new temporary engineer, Steven Metzger who is working on line extensions.

Ms. Koenig inquired if there are any other new high density loads besides Allrise. Mr. Whitney reported there is one more load.

Robert Fritz, Community Network System Supervisor:

He is staying busy making sure his workload is being passed on and he is confident that staff will do a great job. He expressed his appreciation for his time working here at the District.

Suzie Thompson, Human Resources Manager:

She is doing recruiting and reported Mr. Kramer was promoted to the Power Production Manager at Box Canyon. A job opening was posted internally for a system operator trainee and the opening closes on Sunday. She will re-evaluate Mr. Fritz's job position.

She reported it is mid-year evaluation time for supervisors to go over goals with their staff.

She reported that today is National Hug Day and to give hugs virtually.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He reported the Information Technology (IT) staff is busy closing out half-year projects including providing support to the engineering staff for the energy imbalance market project with Avista at substations.

He reported staff recently finished a project to create a web version on the SCADA system and he shared his screen to show a page of the web version. He reported it shows the power flow of energy throughout our systems. Mr. Whitney gave kudos to Mr. Pebles; Kevin Persyn, District IT SCADA Technician; Frank Pisano, Network Supervisor; and Jon Rasmussen, District Power Supply Operator for their help on this project. Mr. Pebles thanked the system operators and Mr. Rasmussen for being instrumental in shaping the data that is coming in.

He reported staff is working on second quarter projects including updating the system operator log book and revamping the Newport Conference Room audio visual system.

Amber Gifford, Communications, Contracts & Conservation Manager:

She reported the District's revised strategic plan final version was published to our website and she ordered new prints of the plan.

She reported the Idaho Hill Elementary School had a Safety Day on June 9 and a few of our linemen were there to provide safety learning.

She is winding down the campaign for customers to sign up for SmartHub, Auto-Pay, Paperless Billing, Operation Round Up and the E-Newsletter. By the end of the day this Wednesday any entries will be entered into a drawing for an Amazon Fire Tablet.

She reported the Newport Rodeo Parade was a successful event and she appreciated everyone's participation.

Adam Wiltse, Safety Manager:

He reported in-person training for forklift, flagger, and first aid/CPR certification is starting.

Angie Hall, Regulatory Compliance Analyst:

She reported that tomorrow is the end of the second quarter and will begin to wrap up the Western Electricity Coordinating Council quarterly reporting.

ACTION ITEMS:

- Damage Claim DC210417. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Onley to pay the damage claim in the total amount of \$800. The motion passed unanimously. Mr. Hodder provided additional information regarding the transformer fault.
- Extension of Interlocal Agreement with Town of Cusick. Mr. Whitney provided the details of the seventh extension and structuring the costs. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the 12-month extension. Commissioner Larson thanked staff for their work on this project. The motion passed unanimously.
- Ziply Dark Fiber Lease. Dario Nila, District CNS System Specialist reported that Ziply has requested a temporary dark fiber lease from the Northwest Open Access Network (NoaNet) Tiger location. He explained that we have conduit outside of NoaNet's cabinet that serves Versatile Industries and we could provide fiber for a transmit and receive path for Ziply. Per District policy, we need to charge Ziply \$1,200 per month for the dark fiber lease. This will be a temporary connection for 2-3 months. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the lease. The motion passed unanimously.

Commissioner Knapp reported he just received an email from WPUDA that Benton County PUD is asking customers for their help during this extreme heat by turning up their thermostats and not using appliances during the highest temperatures in the day.

Commissioner Knapp announced a 45-minute executive session on pending and/or potential litigation will begin at 11:20 a.m. and go until 12:05 p.m. Following the executive session, he will rejoin this meeting to adjourn. The next Board meeting is July 13 in Newport.

Following a 5-minute recess, the meeting resumed.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 45-minute executive session on pending and/or potential litigation commenced at 11:20 a.m. The following were in attendance: Board of Commissioners; and Tyler Whitney, General Counsel & Assistant General Manager. The executive session adjourned at 12:05 p.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 12:06 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form