

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
December 19, 2023
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Curtis J. Knapp, President
Joseph B. Onley, Vice President
David W. Rick, Secretary

Staff Present: Sarah Holderman, Co-Interim General Manager
April Owen, Co-Interim General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: John Janney, Member of the Public
Gretchen Koenig, Member of the Public
Don Gronning, Newport Miner

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

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, attended a Root Cause Analysis training and reported that incidents that happen in the workplace aren't attributed to just one thing. It's important to look at the Root Cause Analysis to prevent the same things from happening.

BOARD WORKSHOP:

Suzie Wrbelis, District Director of Human Resources, reported that, pending final Board approval, John Janney will start tomorrow as our General Manager and she provided his background. Mr. Janney commented that he is thrilled to be here and looks forward to working with everyone. He got a good vibe from the customer service representatives when he came to the District for his interview. Commissioner Knapp thanked Ms. Wrbelis for introducing Mr. Janney, he thanked Mr. Janney, and he thanked staff for all their work in the hiring process.

Commissioner Onley thanked staff for the digital equity ad in the Newport Miner. He asked for a status update on the list of telecommunication expenses he requested. April Owen, District Co-Interim General Manager, has the list and will provide to the Commission after reviewing.

Commissioner Onley noted the December 5 Board Minutes were brief on the Water System Rates Public Hearing discussion and he asked Chris Jones, District Director of Operations, about installing transfer switches for water system generators. Discussion was held.

Commissioner Onley asked for a status update on the phone system and suggested we review all of our phone structures. Sarah Holderman, District Co-Interim General Manager, reported we received a risk mitigation suggestion regarding the phone greeting and staff is working on it.

Commissioner Rick attended a Clean Energy Expo on December 14 in Wenatchee, reported it was an informational meeting and provided an overview. Discussion was held. Commissioner Knapp thanked him for attending.

APPROVAL OF CONSENT AGENDA:

The minutes from the December 5, 2023 meeting, today's agenda, and the vouchers were reviewed.

As of this date, December 19, 2023, the Board, upon motion by Commissioner Rick and seconded by Commissioner Onley approved the following:

- The agenda for December 19, 2023, and the minutes of the December 5, 2023 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. 8851 through 8911 in the total amount of \$256,888.65; ACH payments in the total amount of \$971,038.85; Wire Transfers in the total amount of \$244,389.62; and ACH payroll transactions in the total amount of \$240,181.22 for the payroll ending November 30, 2023.

The motion passed unanimously.

GENERAL MANAGERS' UPDATE:

Ms. Owen reported they are wrapping up end-of-year items and the general manager job transitioning. She asked Ben Hall, District Energy Resources Manager, to give an overview of recent news surrounding four Lower Snake River Dams.

Mr. Hall provided an overview of an agreement reached between the U.S. Government and six other parties, the agreement was made public on December 14. He described some of the potential impacts that the agreement may have for hydrogeneration projects on the Snake River and for Bonneville Power Administration power rates. Discussion was held.

ACTION ITEMS:

- Declaration of Surplus Property – Fleet Asset #026, a 2014 Walton Gooseneck Tree Trimmer Trailer. Mr. Jones reported the trailer is old and is being replaced with a new trailer which has arrived. The trailer will be sold through our sealed bid process. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve and declare the trailer as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Unbudgeted Request – Information Technology (IT) Budget Missing Items. Ms. Holderman provided an overview. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the unbudgeted request. The motion passed unanimously.
- Approval of Drug and Alcohol Policy. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to approve the Drug and Alcohol Policy as presented by staff. The motion passed unanimously.
- Extension of Land Leases for Edwards and Norton. Ms. Owen reported we own property that we lease to Edwards and Norton. The current leases expire on December 31, 2023 and the extended leases would be for two years. A motion was made by Commissioner Onley and seconded by Commissioner Rick to extend the land leases for two years. Discussion was held. The motion passed unanimously.
- Approval of Seattle City Light (SCL) Requested Land Easement. Ms. Holderman reported this was a request from SCL as part of their license and it is a piece of property to be used as a boundary buffer. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to approve

and authorize the general manager to execute the easement after the cost is negotiated. The motion passed unanimously.

- Early Closing of Business, December 22, 2023. Ms. Holderman provided the details. A motion was made by Commissioner Onley and seconded by Commissioner Rick to close business on December 22, 2023 at 2:00 p.m. The motion passed unanimously.
- Resolution No. 1481 – Appointment of General Manager. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve and adopt Resolution No. 1481 Appointment of John Janney as General Manager. The motion passed unanimously.
- Resolution No. 1482 – 2024 Board Meeting Calendar. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve and adopt Resolution No. 1482 for the 2024 Board Meeting Calendar. The motion passed unanimously.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, provided highlights from the City of Newport’s Christmas Parade and the Annual PUD Family Holiday Gathering. She thanked staff for their help and showed a video of the events. Commissioner Knapp thanked Ms. Gifford and her team for their work on these events.

COMMISSION REPORT:

Commissioner Onley attended a Greater Newport Area Chamber of Commerce meeting on December 13 in Newport and provided an overview.

Commissioner Rick attended a Tri-County Economic Development District meeting on December 13 in Colville and provided an overview. He attended a Clean Energy Expo on December 14 in Wenatchee and provided an overview. Discussion was held.

Commissioner Knapp attended the City of Newport’s Christmas Parade and the Annual PUD Family Holiday Gathering. He reported that both events were great and thanked staff for their hard work.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for January.

Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the commissioner travel or meeting attendance for January, as presented. The motion passed unanimously.

Commissioner Onley does not have any business before the January 3 Board meeting.

Commissioner Rick will attend an Economic Development Council meeting tomorrow at the Camas Wellness Center and a PUD Holiday Gathering on December 21 at Box Canyon.

Commissioner Knapp will attend the PUD Holiday Gathering on December 21 at Box Canyon.

Following a short recess, the meeting resumed.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Knapp asked if there was any business or comments from the public.

Gretchen Koenig, member of the public, welcomed Mr. Janney to the District and county.

Commissioner Knapp thanked the public for attending and providing comments.

MANAGEMENT REPORT:

Bryant Kramer, Director of Power Production:

He provided a Water System update and reported the Metaline Falls Water System passed its Sanitary Survey.

He provided a Production update and reported they are working on end-of-year projects including the Sullivan Creek License Surrender. He provided an overview and reported he is working with McMillen Jacobs.

Mr. Kramer reported we received three of the four Cusick 250 hp pumps back and rented a crane from Knight Construction to safely install the pumps. He provided photos and an overview. He provided a history of the Cusick dike and pumps and our Plan E agreement with the Diking District. Discussion was held.

Scott Jungblom, District Natural Resources Manager, provided an overview of our FERC License and Amended Settlement Agreement regarding fish passage. Discussion was held regarding the sheet pile wall project at the Cusick dike.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He and staff are working on end-of-year projects including Microsoft Windows 11 upgrades. He reported that 80 systems were upgraded and he commended Chris Marshall, District PC Technician, for helping.

He reported staff completed NISC iVue server performance issues and it was a smooth conversion. The fiber mapping is wrapped up and field staff are relaying any anomalies to staff.

Suzie Wrbelis, Director of Human Resources:

She reported John Janney will start tomorrow as the General Manager and she is working on filling an open engineering position.

Ben Hall, Energy Resources Manager:

He provided a Cascade Digital Mining, LLC update and reported they bought the surplus energy in Off-Peak hours during the month of January. Discussion was held. Staff continues to have planning meetings with Cascade for their future needs and possible onsite generation. He reviewed the electric service agreement.

He compared the environmental legislature regarding the Clean Energy Transformation Act (CETA) and Climate Commitment Act (CCA). He reported the CCA is broader in scope and explained the key components for the District with carbon reporting and carbon allowances.

Ms. Owen reported that Mr. Hall has been working with the state auditors to audit our CETA plans and that CETA has a power and low-income side reporting. Chelan County PUD is the only utility who has completed its audit. She reported that the State Auditor's Office believes that the legislation was written as needing multiple programs and that PUD's need to meet those requirements. Discussion was held.

Chris Jones, Director of Operations:

He reported they are getting a few line extensions and will do them based on weather conditions.

He reported they finished the Diamond Lake 3-phase project.

He is starting to see a shift in the supply chain market with transformers and underground wire. He is not seeing big improvements on pricing but is seeing shorter lead times. Discussion was held.

Karen Willner, Clerk of the Board, reported the next meeting is Wednesday, January 3, 2024, at 8:30 a.m. in Newport.

Commissioner Knapp reported that following a working lunch, the meeting will be adjourned.

Following the working lunch, Ms. Willner reported the next meeting is Wednesday, January 3, starting at 8:30 a.m., in the Newport Conference Room in Newport and via Microsoft Teams.

There being no further discussion to come before the Board, Commissioner Knapp adjourned the meeting at 11:48 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form