

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
March 29, 2022
BOX CANYON DAM AND VIRTUAL VIA ZOOM

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: Gretchen Koenig, Member of the Public
Ernie Hood, Member of the Public

The meeting was called to order at 9:02 a.m. by Curtis J. Knapp, President.

A roll call was taken.

CONSENT AGENDA:

The minutes from the March 15, 2022 meeting, today's agenda, and the vouchers were reviewed.

As of this date, March 29, 2022, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The agenda for March 29, 2022 and the minutes of the March 15, 2022 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. 6750 through 6785 in the total amount of \$93,496.24; ACH payments in the total amount of \$449,936.77; Wire Transfers in the total amount of \$1,562,414.34; and ACH payroll transactions in the total amount of \$213,500.99 for the payroll ending March 15, 2022.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Larson asked for a Northwest Open Access Network (NoaNet) survey discussion. Commissioner Onley noted a Newport Miner news article regarding a new large load, Merkle Standard. He noted a PUD planned outage that occurred in his area this past Friday and suggested that any planned outage be scheduled for 11pm to reduce confusion. He asked for per diem accounting discussion.

Colin Willenbrock, District General Manager referenced Commissioner Larson's request for the NoaNet letter discussion and reported that NoaNet sent out a retail authority survey for members to complete. He provided background information and asked the Board if they want him to address the survey questions. Discussion was held. Board requested that he respond.

He provided an Allrise project update in reference to Commissioner Onley's request. He reported that we have received the red line contract drafts from Allrise and Brookfield. Allrise has no interest in our Box Canyon power so we need to look for a successor home for this cost. We have options and are working through the details including risk mitigation to protect us and our customers. Once we have a contract, we will bring it before the Board and the public. Discussion was held. As Board President, Commissioner

Knapp will respond to any communications to the Board regarding Allrise on behalf of the Board.

Mr. Willenbrock noted today's action item regarding the April Energy Transaction Discussion was held. Gretchen Koenig, member of the public, referenced a comment by the Allrise CEO on being able to turn off the machines and she inquired how this would affect the PUD. Mr. Willenbrock explained.

He reported our Box Canyon Operating Committee meeting reconvened this morning. There has been an interest in the succession plan for employee retirements and the shift-work plan. We have options and it was a good discussion. The committee meetings will reconvene in the next couple of weeks. Discussion was held. Commissioner Knapp noted the same discussion including overtime is occurring at the Energy Northwest meetings and they had to hire more people which they haven't had to do in five years.

Mr. Willenbrock referenced Commissioner Onley's request to discuss commissioner per diem and explained this is a Board decision. Commissioner Knapp commented that the hourly accounting doesn't need to be changed because each commissioner will stay under the eight meeting average per month. Commissioner Larson commented that he wants to keep it at eight hours of time assessed for each per diem day. Commissioner Onley requested that Commissioner Larson read his reasons. Commissioner Larson read a summary of his reasons, specifically noting that he believed the meeting limitation was a necessary check on Commissioner Onley based on perceived indiscretions in the past. Commissioner Onley commented the issue is wrong administratively. He will contact the State Auditor's Office and ask for their opinion.

Commissioner Larson made a motion to maintain the PUD's practice of assessing eight hours for each per diem day. Commissioner Knapp seconded Commissioner Larson's motion. The motion passed. Commissioner Onley was opposed.

BUSINESS FROM THE PUBLIC:

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

Ernie Hood, member of the public, referenced the email he sent to the Board inquiring how the Allrise load will affect the customer rates. Commissioner Knapp thanked Mr. Hood for attending and for his email. He explained the PUD's philosophy is that customers aren't to be harmed and new customers are required to pay for their own service. Mr. Willenbrock thanked Mr. Hood and provided further explanation. Mr. Hood thanked everyone for their responses and for letting him ask questions.

Ms. Koenig asked why the PUD is not participating in the Economic Development Council (EDC), as it is important in the county. Commissioner Knapp reported the Board voted to suspend its participation and explore other options for economic development. Ms. Koenig understood the PUD's stance.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported that Ms. Holderman nominated Shem Norton, District Meter Reader for a safety award. He explained the reasons why people don't want to help in an emergency situation and reported that Mr. Norton responded to an automobile collision when he was the first person at the scene. He was able to help the driver and the first responders. He commended Mr. Norton and was very proud of his actions.

CUSTOMER SPOTLIGHT:

Ms. Holderman reported that Amber Gifford, District Communications, Contracts & Conservation Manager will be the Customer Service Manager and will be moving her office to the customer service area. Ms. Holderman will be moving back to her upstairs office.

She reported our American Rescue Plan Act grant fund has a remaining balance of \$2,700, of the total amount of \$100,000. She reported the District gave 216 awards to customers and she thanked the county for its assistance.

She reported that Ms. Gifford will take over reporting of the Customer Spotlight session.

Ms. Koenig inquired if there was a law or rule where the PUD could not disconnect customers during the winter months. Ms. Holderman explained.

Commissioner Knapp reported he received a thank you from a customer regarding a billing reimbursement. Ms. Holderman thanked Teya Marinello and Desiree Persyn, District Customer Service Representatives for their help and quick learning only after a few months on the job.

Commissioner Larson inquired about the status of the apartment complex meter. Ms. Holderman is working with Chris Jones, District Director, Operations on the matter and will follow up with Commissioner Larson.

COMMISSION REPORT:

Commissioner Knapp received a number of customer phone calls regarding Allrise. He attended a number of Energy Northwest meetings regarding the executive board vacancy. He attended Energy Northwest meetings on March 23 – 24 in Tri-Cities where discussion included cost saving measures and world nuclear fuel. He attended the virtual Washington Public Utility Districts Association (WPUDA) meetings on March 16 – 18 and reported a venture capitalist is interested in the Alcoa plant in Ferndale.

Commissioner Larson attended a virtual Tri-County Economic Development District (TEDD) meeting on March 23 where discussion included the budget and fiber broadband. He reported Stevens County gave \$25,000 to TEDD for a fiber middle-mile project. He won't attend the April TEDD meeting in Republic.

Commissioner Onley attended the virtual WPUDA meetings on March 16 – 17 where discussion included wildfire liability. He received a phone call from Monty Stahl, Merkle Standard COO requesting a meeting and he referred him to contact Karen Willner, Clerk of the Board to attend a Board meeting. He attended the Merkle Standard meet-and-greet meeting on March 25 in Newport.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for May.
Commissioner Knapp will attend the PUD Board meetings on May 3 and 17 in Newport, and May 31 at Box Canyon and a Northwest Public Power Association Annual Conference on May 22 – 25 in Coeur d'Alene. He asked for discussion on mileage and hotel reimbursement which is not normally reimbursed when the meeting is held locally. If it is reimbursed, he will only charge two days per diem with no hotel reimbursement.

Commissioner Larson reviewed his May schedule and reported he will attend the PUD Board meetings on May 3 and 17 in Newport and May 31 at Box Canyon, a virtual North Pend Oreille Chamber of Commerce meeting on May 8, a virtual BAT meeting on May 12, and a virtual TEDD meeting on May 25.

Commissioner Onley will attend the PUD Board meetings on May 3 and 17 in Newport and May 31 at Box Canyon, and a virtual Greater Newport Area Chamber of Commerce meeting on May 3.

A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the commissioner travel or meeting attendance for May as presented. The motion passed unanimously.

ACTION ITEMS:

- COVID-19 Safety Policy Revision. Mr. Willenbrock reported the federal rules have changed so we need to change our policy. Discussion was held regarding director titles changes effective April 1 and masking protocol in individual offices. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the COVID-19 Safety Policy revision as presented. The motion passed unanimously.
- April Energy Transaction. April Owen, District Director, Audit, Finance & Power Supply reported this is a transaction to facilitate certain elements of the District's agreement with Shell Energy. The ratification amount is \$159,600. Discussion was held. Mr. Willenbrock provided a Risk Management Committee meeting overview.

Bryant Kramer, District Power Production Manager provided a fish ladder update and reported staff is doing operational work and it should start up in the next few weeks. He reported Campbell Pond will start filling up and Sullivan Lake will also fill up but it is still iced over.

Tyler Whitney, District General Counsel & Assistant General Manager provided a Box Canyon tours update. He reported we will have summer student helpers and may only do fish ladder sorting facility tours this year.

Mr. Kramer reported the river flows are currently 26,000 cubic feet per second with four turbine units running.

ACTION ITEMS (continued):

- April Energy Transaction (continued). A motion was made by Commissioner Larson and seconded by Commissioner Onley to accept the \$159,600 power sales for the month of April. The motion passed unanimously.

GENERAL MANAGER'S UPDATE:

Mr. Willenbrock reported staff is working on our Utility Services Policy updates. We are making progress and have gotten good feedback. There are questions on service retirements and timelines, and we need to address the customer line extension fees. He reported we will walk the Board through the process at the April 12 meeting and will need the Board's direction on transformer fees. Discussion was held regarding fuel cost increases, fee adjustments, and inflationary increases.

Commissioner Onley made a motion for a line extension moratorium until our April 12 meeting. Discussion was held. There was no second to Commissioner Onley's motion and the motion died. The Board will wait until the April 12 meeting to take action on fee increases.

Commissioner Knapp reported this meeting will adjourn at 12:00 p.m. following a 30-minute working lunch. The next meeting is April 12 in Newport and via virtual platform.

Following a 30-minute working lunch, the meeting adjourned.

There being no further discussion to come before the Board, the meeting adjourned at 12:00 p.m.

President

ATTEST:

Secretary

General Counsel

Approved as to Form