

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
May 17, 2022
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

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
Karen Willner, Clerk of the Board

Others: Steve Minnich, Member of the Public
Steve Wood, CFO of Merkle Standard
Dave Rick, Member of the Public
Gretchen Koenig, Member of the Public
Andy Armantrout, Member of the Public

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 May 3, 2022 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, May 17, 2022, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The revised agenda for May 17, 2022 and the minutes of the May 3, 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. 6885 through 6926 in the total amount of \$211,519.81; ACH payments in the total amount of \$780,817.52; Wire Transfers in the total amount of \$223,430.31; and ACH payroll transactions in the total amount of \$207,404.74 for the payroll ending April 30, 2022.

The motion passed unanimously.

BOARD WORKSHOP/UTILITY EXTENSION MANUAL/FEES:

Commissioner Knapp asked if the commissioners had any topics for discussion. The commissioners did not have any topics.

Colin Willenbrock, District General Manager reported on our customer account arrearages. Sarah Holderman, District Director of Customer Services reported she will look into the state funding assistance for customer account arrearages and will contact Rural Resources. She reported disconnects were done last week.

Mr. Willenbrock reported today's discussion is on our proposed Utility Services manual, policy, and fees and he provided an overview. He commended Kevin Conway, District Director of Utility Services; Ms. Holderman; Chris Jones, District Director of Operations; and staff for their work on these documents.

Ms. Holderman provided a powerpoint presentation and reported there are three separate documents: the utility extension policy, utility extension fees policy, and utility extension

manual. She summarized the documents, customer application process, and current and proposed fees. Discussion was held. The Board and Mr. Willenbrock thanked Ms. Holderman for her presentation.

Mr. Willenbrock explained the manual and policies will be subject to periodic review. Discussion was held.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported a safety award was given to Kevin Persyn, District SCADA Engineer for his safety observation. He explained a safety hierarchy.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager reported on the customer assistance program for arrearages through the Department of Commerce. She provided an overview of our customer disconnect process. Discussion was held.

Following a 5-minute recess, the meeting resumed.

BUSINESS FROM THE PUBLIC:

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

Steve Minnich, member of the public, commented on a news article regarding removal of the Snake River dams. He inquired when the PUD's final contract with Merkle Standard will be made public. Commissioner Knapp reported that the exact timing was unknown, but at least two public meetings will be held.

Steve Wood, CFO of Merkle Standard, reported the PUD will receive all requested supplemental due-diligence documents today. He reported the conditional use permit hearing went well and Merkle Standard is interested in purchasing Box Canyon power.

Andy Armantrout, member of the public, commended Ms. Holderman for her presentation. He noted the number of PUD's executive sessions and asked if the PUD was involved in a significant amount of litigation. Commissioner Knapp explained there are many statutory reasons for holding an executive session.

Gretchen Koenig, member of the public, inquired about the PUD's franchise agreement with the City of Newport and if the PUD's line extension policy applies to both the city and county. Mr. Willenbrock reported the franchise with the City was complete. Discussion was held.

COMMISSION REPORT:

Commissioner Knapp reported he had a few customer phone calls and emails regarding PUD business.

Commissioner Larson attended a Northwest Open Access Network Board meeting on May 11 in Spokane.

Commissioner Onley had a phone call with a potential customer regarding a line extension easement. Mr. Whitney reported he is working with the customer's attorney. Mr. Willenbrock noted Inland Power & Light service inquiries.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for July. Commissioner Knapp will attend the Board meetings on July 12 and 26 in Newport, the Washington Public Utility Districts Association (WPUDA) meetings on July 13 – 15 with location to be determined, and the Energy

Northwest meetings on July 27 – 28 in Tri-Cities. Commissioner Larson will attend the Board meetings on July 12 and 26 in Newport, a virtual North Pend Oreille County Chamber of Commerce meeting in July (if held), a virtual Broadband Action Team meeting on July 14, and a Tri-County Economic Development District meeting on July 27 in Colville. Commissioner Onley will attend the Board meetings on July 12 and 26, a virtual Greater Newport Area Chamber of Commerce meeting on July 5, and the WPUA meetings on July 13 – 15 with location to be determined. He received a notice regarding a virtual WPUA strategic planning meeting on June 22 that he would like to attend. Commissioners Knapp and Larson were in agreement for him to attend.

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

Discussion was held regarding the 2023 Board meeting calendar and townhall meetings.

ACTION ITEMS:

- Unbudgeted Request – Part 12 Follow-Up Services. Mr. Conway provided the details and reported our McMillen Jacobs contract needs to be extended to address the Federal Energy Regulatory Commission changes. Discussion was held. Tyler Whitney, District General Counsel reported this was a budgeted item but we are requesting an additional amount of \$93,270. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the unbudgeted request for the Part 12 Follow-Up Services as presented. The motion passed unanimously.
- June Energy Transactions. April Owen, District Director of Finance, reported we need to purchase energy for heavy load hours for Merkle Standard. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the June energy transactions as presented. The motion passed unanimously.
- Utility Extension Policy. Commissioner Onley requested more time to review the policy. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to approve the policy as presented. Commissioner Knapp commended staff for their work on the policy. The motion passed. Commissioner Onley was opposed.
- Utility Extension Fees Policy. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to approve the policy as presented. Discussion was held. Commissioner Larson requested a policy review with the annual budget process. Commissioner Onley requested more time to review the policy. The motion passed. Commissioner Onley was opposed.
- Cancellation of May 31 Board Meeting. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to cancel the May 31 Board meeting. The motion passed unanimously.

Commissioner Knapp announced a 60-minute executive session on pending and/or potential litigation to begin at 11:00 a.m. with Tyler Whitney, General Counsel present. This executive session will be followed by a 60-minute executive session on the review of the performance of a public employee. If the executive session needs to be extended, he will rejoin this open session to publicly announce an extension. Following the second executive session he and/or the Board will rejoin the open session to take any action or to adjourn the meeting. No action will be taken during the executive sessions. The next meeting is on June 7, being held in the Newport Conference Room, in Newport and via Microsoft Teams.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 11:00 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; and Tyler Whitney, General Counsel & Assistant General Manager. The executive session adjourned at 11:59 a.m. No final action was taken.

EXECUTIVE SESSION – REVIEW OF THE PERFORMANCE OF A PUBLIC EMPLOYEE:

A 60-minute executive session on the review of the performance of a public employee commenced at 12:05 p.m. The following were in attendance: Board of Commissioners. Colin Willenbrock, General Manager joined the executive session at 12:19 p.m. The executive session adjourned at 12:56 p.m. Commissioner Knapp returned to open session. No final action was taken.

Commissioner Knapp announced a 30-minute extension of the earlier executive session on pending and/or potential litigation to resume at 1:00 p.m. with Tyler Whitney, General Counsel present. If the executive session needs to be extended, he and/or the Board will rejoin this open session to take any action or to adjourn the meeting. No action will be taken during the executive session.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION (continued):

The executive session on pending and/or potential litigation was extended for 30 minutes commencing at 1:00 p.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; Christopher McKey, Energy West, LLC; and Tyler Whitney, General Counsel. The executive session adjourned at 1:30 p.m. No final action was taken.

Commissioner Knapp reported the next meeting is June 7, in the Newport Conference Room, in Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 1:27 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form