

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
January 31, 2023
BOX CANYON DAM, IONE, WA AND
VIRTUAL VIA MICROSOFT TEAMS

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

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

Others: Gretchen Koenig, Member of the Public
Darla Rick, Member of the Public, virtual
Don Gronning, Newport Miner, virtual
Sonya Scaufaire, Selkirk Sun, virtual

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

CONSENT AGENDA:

The minutes from the January 17, 2023 meeting, today's agenda, and the vouchers were reviewed.

As of this date, January 31, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The agenda for January 31, 2023, and the minutes of the January 17, 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. 7756 through 7795 in the total amount of \$226,386.12; ACH payments in the total amount of \$1,514,096.74; Wire Transfers in the total amount of \$1,401,969.45; and ACH payroll transactions in the total amount of \$230,817.79 for the payroll ending January 15, 2023.

The motion passed unanimously.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager, reviewed today's agenda.

- Governance Policy Review. Mr. Willenbrock provided a Governance powerpoint presentation. Discussion was held. Commissioner Knapp thanked him for the review.

BOX CANYON UPDATE:

Bryant Kramer, District Director of Power Production, provided a Box Canyon update and reported the local snowpack is 88% of medium load.

He reported turbine unit #4 is still down and Voith Hydro was hired to inspect the rotor and mechanical components. Poles will be sent to get refurbished. Discussion was held. He reported crews are working on an upgrade of the governor system to shut the wicket gates quicker if there is an emergency.

He reported on capital projects which include the Calispell Creek dike with McMillen Jacobs doing the engineering. He provided the details. Another project is a dewater of the spillway bay in order to get a better plan in place.

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, inquired about contractor incentives.

Ms. Koenig commented the Governance Policy needs to be communicated to the public, especially related to the bond rating component. Mr. Willenbrock thanked her for her comment and reported we do publish notices from Fitch and Moody's on our website. He reported we just completed our state audit and there were no findings. The auditor also found after an exhaustive review that the citizen complaint regarding the Clark contract was without merit.

BOX CANYON UPDATE (continued):

Mr. Kramer continued with the capital projects update related to the Box Canyon Dam boat launch. Mr. Willenbrock noted the bank erosion issue and that the boat launch is critical for emergency access to the spillway.

Discussion was held regarding the August 29 Board meeting at Box Canyon with a possible tour of the boat launch.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported 94% of staff has completed the 2022 safety trainings. There will be more in-person trainings this year. He provided an update on the state's workplace fatality rates which have decreased over the past two years.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director of Customer Services, reported we have two customer-focused campaigns for the month of February. Customers can get a free PUD-logo tote bag with a donation to our Neighbors in Need program or by updating their contact information with us. The campaigns are advertised in this month's Customer Connect newsletter.

ACTION ITEMS:

- Pre-Approval of Fleet Purchase – Trail King Tilt Trailer. Chris Jones, District Director of Operations, reported lead times are 12 - 14 months out and will be included in the 2024 budget. A motion was made by Commissioner Onley and seconded by Commissioner Rick to pre-approve the purchase of the trailer. The motion passed unanimously.
- Unbudgeted Item Request – FTE Journeyman Lineman. Mr. Jones reported this request to hire an additional lineman is to bring staffing levels back to normal and historical numbers. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the request for an additional journeyman lineman position as presented. The motion passed unanimously.
- February Energy Transaction. April Owen, District Director of Finance, reported we weren't able to get this item before the Board at the January 17 meeting and we went out to bid. We will have surplus energy of 40 MW in light load hours and 10 MW in heavy load hours. She explained this is to ratify the sale of energy in the market. A motion was made by Commissioner

Onley and seconded by Commissioner Rick to ratify the February energy transaction. The motion passed unanimously.

- Unbudgeted Item Request – Trout Habitat Restoration Program (THRP) In-Stream Structure. Scott Jungblom, District Natural Resources Manager, reported this project was budgeted for last year but the project wasn't ready so the project is in this year's budget. He explained the project and reported the cost estimate increased due to the price of the construction materials. This structure can be used in other streams. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to accept the request and to purchase the structure. The motion passed unanimously.

Discussion was held regarding the THRP committee and the Kalispel Tribe of Indians Indian Creek project.

COMMISSION REPORT:

Commissioner Knapp participated in a Washington Public Utility Districts Association (WPUDA) bill tracking update call on January 19. He attended Energy Northwest meetings on January 25 – 26 in Olympia and provided an overview.

Commissioner Onley thanked Commissioner Knapp and Mr. Willenbrock for being flexible with the January 17 Board Agenda so he could attend virtually.

Commissioner Rick attended the WPUDA meetings on January 11 – 13 in Olympia.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for March. Commissioner Knapp will attend the PUD Board meetings on March 7 and 21 in Newport, an American Public Power Association Legislative Rally on March 1 – 2 in Washington, D.C., virtual WPUDA meetings on March 17, Energy Northwest meetings on March 12 – 16 in Tri-Cities, and more Energy Northwest meetings on March 22 – 23 in Tri-Cities. Commissioner Onley will attend a virtual Greater Newport Area Chamber of Commerce meeting on March 1, a virtual WPUDA Telecom/Ports Joint meeting on March 6, the PUD Board meetings on March 7 and 21 in Newport, and WPUDA meetings on March 15 – 17 in Olympia. Commissioner Rick will attend the PUD Board meetings on March 7 and 21 in Newport, the WPUDA meetings on March 15 – 16 in Olympia, a Tri-County Economic Development District meeting on March 22 in Colville, and a North Pend Oreille Chamber of Commerce meeting on March 29 in Ione.

A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the Commissioner's March schedule as presented. The motion passed unanimously.

Commissioner Knapp inquired about a commissioner's attendance at the Public Power Council (PPC) and Pacific Northwest Utilities Conference Committee meetings. Commissioner Onley will virtually attend the PPC meeting on February 2.

Commissioner Knapp announced a 30-minute executive session to evaluate the qualifications of an applicant for public employment. No final action will be taken during the executive session. Following this executive session will be a 30-minute working lunch. Following the lunch, he will rejoin the open session to adjourn the meeting.

EXECUTIVE SESSION – EVALUATE QUALIFICATIONS OF AN APPLICANT FOR PUBLIC EMPLOYMENT:

A 30-minute executive session to evaluate the qualifications of an applicant for public employment commenced at 11:00 a.m. The following were in attendance: Board of Commissioners; and Colin Willenbrock, General Manager. Commissioner Knapp announced a 15-minute extension to the executive session. The executive session

adjourned at 11:45 a.m. The Board returned to open session. No final action was taken during the executive session.

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

Commissioner Knapp reported the next meeting is February 7, 2023, in the Newport Conference Room, Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 12:10 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form