

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
February 7, 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: F. Colin Willenbrock, General Manager
Management/District Staff
Tyler Whitney, General Counsel
Karen Willner, Clerk of the Board

Others: Gretchen Koenig, Member of the Public
Ric Larson, Member of the Public
Mark Zorica, Member of the Public, virtual
Sonya Scaufaire, Selkirk Sun, virtual
Don Gronning, Newport Miner, virtual, then came in-person
Todd Behrend, Merkle Standard, virtual
Steve Wood, Merkle Standard
Norm Smith, Member of the Public, virtual

The meeting was called to order at 8:01 a.m. by Curtis J. Knapp, President. He announced a 30-minute executive session to evaluate the qualifications of an applicant for public employment to begin at 8:02 a.m., in the Riverbend Conference Room. No final action will be taken during the executive session. If the executive session needs to be extended, he will rejoin the open session to announce an extension. Following this executive session he and the Board will rejoin the open session.

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

A 30-minute executive session to evaluate the qualifications of an applicant for public employment commenced at 8:01 a.m. The following were in attendance: Board of Commissioners; and Tyler Whitney, General Counsel. At 8:30 a.m., Commissioner Knapp publicly announced the executive session would be extended for 10 minutes. April Owen, Director of Finance; and Sarah Holderman, Director of Customer Services joined the executive session. The executive session adjourned at 8:36 a.m. The Board returned to open session. No final action was taken during the executive session.

APPROVAL OF CONSENT AGENDA:

The minutes from the January 31, 2023 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, February 7, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The revised agenda for February 7, 2023, and the minutes of the January 31, 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. 7796 through 7821 in the total amount of \$54,064.86; ACH payments in the total amount of \$87,868.11; and Wire Transfers in the total amount of \$34,443.29.

The motion passed unanimously.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager, asked Ms. Owen to introduce a new District employee.

Ms. Owen introduced Ben Hall, newly hired Energy Resources Manager. Mr. Hall provided his background. The Board welcomed Mr. Hall to the District.

Mr. Willenbrock reviewed today's Board Workshop topics.

He reported the Tentative Agreement (TA) with the International Brotherhood of Electrical Workers, Local No. 77, is a 3-year agreement and explained the bargaining format and the groups/utilities involved. Discussion was held regarding the Central Washington Public Utilities and the Unified Insurance Program.

Tyler Whitney, District General Counsel, reviewed the TA, including both the joint and local agreements. The new agreement will be effective April 1. He reported joint bargaining came to an agreement for the health plan modifications. He reviewed the local bargaining TA regarding personal leave, HRA VEBA, deferred compensation, and holidays. He reported the Martin Luther King, Jr. Day is a recognized holiday and District offices will be closed starting next year. The District has historically observed Good Friday as a holiday and District offices were closed, but the TA removes this holiday and adds an additional floating holiday that employees could choose to use that day or another day of that year. He reviewed the Customer Service Representative section and a general wage adder.

ACTION ITEM:

- Ratification of Tentative Agreement (TA) with the International Brotherhood of Electrical Workers, Local No. 77. A motion was made by Commissioner Onley and seconded by Commissioner Rick to ratify the TA as presented. The motion passed unanimously.

Mr. Willenbrock provided background information on Moody's and our bond rating and reported that we are near the end of the Box Canyon modernization project.

Ms. Owen reported our rating agencies are focused on risk and are tasked to determine our creditworthiness. Moody's had previously downgraded us to a Baa2 rating, and this credit rating moves us up to Baa1 with a positive outlook. Fitch Rating Agency has us at an A- rating with a positive outlook. We are not going out to issue and/or sell bonds in the near future but banks and trading partners do look at our credit rating. A press release of the ratings upgrade will be published. Mr. Willenbrock reported that being able to borrow when we need funds is a strength, and keeping high cash balances is part of achieving a good credit rating. Discussion was held. Commissioner Knapp reported this is a great report and commended the District staff for their hard work to get our bond ratings where they are. Mr. Willenbrock thanked Ms. Owen and Sarah Holderman, District Director of Customer Services, for a lot of work they have done.

Ms. Owen reported our state audit is finished and she thanked John Bricher, District Finance Manager, for managing the audit and providing the information to the state auditor. She reported it was a clean audit which is great news for the finance team and District. The Board commended the team.

Mr. Willenbrock attended Public Power Council (PPC) and Pacific Northwest Utilities Conference Committee (PNUCC) meetings last week in Portland. He reported the Post 2028 Provider of Choice contracts are being discussed and need to be in place before 2028. He explained contract load details and reported that PPC conveyed to the Bonneville Power Administration that they are close to an agreement. He provided PNUCC background information and reported it is an industry roundtable with a lot of discussion on project proposals. He reported a premier nuclear team was there and discussed small modular reactors as a potential solution to capacity deficits, and that it could be the technology of the future. Discussion was held.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, explained ergonomics and how it affects eye strains. He reported this is most common for people working in office settings. He explained the 20/20/20 Rule that for every 20 minutes you spend staring at a computer, take 20 seconds focusing on something that is 20 feet away.

CUSTOMER SPOTLIGHT:

Ms. Holderman provided a Neighbors in Need (NIN) update for 2022 and reported we helped over 100 customers with a total of approximately \$23,000. We received almost \$20,000 in funds from the public and with the Board's donation. We are doing a NIN campaign for February and are giving out free PUD-logo tote bags with a NIN donation.

Following a short recess, the meeting resumed.

ACTION ITEMS (continued):

- Declaration of Surplus Property – Two First Aid Cabinets. Mr. Wiltse reported we received new fully stocked first aid cabinets from Cintas and had several cabinets that needed to come down. Three cabinets were needed at Box Canyon and he would like to declare the two remaining cabinets as surplus. A motion was made by Commissioner Onley and seconded by Commissioner Rick to declare the cabinets as 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.
- March Energy Transactions. Ms. Owen reported this will be the last sale for a while as we will purchase power in the summer. This is to sell 35 MW of power in light load hours for March. A motion was made by Commissioner Onley and seconded by Commissioner Rick to sell 35 MW of power in light load hours for the month of March. The motion passed unanimously.
- Resolution No. 1474 – Recognition of F. Colin Willenbrock. Commissioner Knapp read the resolution. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the resolution. Commissioner Knapp commented that we greatly appreciate what Mr. Willenbrock has done for the District. Mr. Willenbrock thanked the Board and staff for his recognition and reported that he couldn't have done any of it without help from the team. The motion passed unanimously.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Steve Wood, Merkle Standard, wished Mr. Willenbrock the best and noted that some of their negotiations were pleasant even when difficult. Mr. Willenbrock thanked him for his comments. Mr. Wood requested 14 MW of additional power for February to test the machine. The Board thanked him for attending and for his request.

Ric Larson, member of the public, thanked Mr. Willenbrock for his years of service, gave him kudos, and commented that he will do well wherever he goes. Mr. Willenbrock thanked him for his comments. He asked Suzie Wrbelis, District Director of Human Resources, about the summer student hire process. Ms. Wrbelis reported it will be the normal process.

Gretchen Koenig, member of the public, gave kudos to Mr. Willenbrock for his integrity. Mr. Willenbrock thanked her for her comments.

ACTION ITEMS (continued):

- Resolution No. 1475 – Appointment of Co-Interim General Managers. Mr. Whitney reported this resolution was updated in the Board packet. He summarized the resolution. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the resolution. The motion passed unanimously.
- Approve Purchase Order 365 and Voith Hydro Contract VH-00786513-2. Bryant Kramer, District Director of Power Production, reported this purchase order is to cover the connection repair by Delstar in the amount of \$233,222.00 and for technical advisor re-assembly support in the amount of \$132,981.75 for a total purchase order amount of \$366,203.75. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the purchase order for a total of \$366,203.75. The motion passed unanimously.

COMMISSION REPORT:

Commissioner Knapp had conversations with the team regarding the transition path moving forward. He met Mr. Hall this week and welcomed him to the District. He participated in a Washington Public Utility Districts Association (WPUDA) Legislative update call on February 2 and provided an overview. He reported the next update call is this Thursday.

Commissioner Onley attended a virtual Greater Newport Area Chamber of Commerce meeting on February 1. He attended a virtual PPC meeting on February 2 and reported the audio was bad and it was hard to hear due to echoes. Mr. Willenbrock will reach out to PPC. Commissioner Onley attended a virtual WPUDA Telecom/Ports meeting yesterday and provided an overview.

Commissioner Rick did not attend any meetings since the January 31 meeting. Mr. Larson reported he received customer emails which he forwarded to Commissioner Rick.

COMMISSION BUSINESS:

Commissioner Knapp will attend the WPUDA meetings on February 15 – 17 including a PUD Day on the Hill event on February 16 in Olympia. He thanked Ms. Willner and Amber Gifford, District Customer Service & Contracts Manager, for their coordination. He noted the Board meeting on February 21 is canceled due to it being the day after Presidents Day. He will attend an American Public Power Association Legislative Rally on February 26 – March 2 in Washington, D.C. He received a phone message from Craig Nelsen, CEO of Northwest Open Access Network, and he will follow up.

Commissioner Onley will attend a virtual WPUDA Telecom Workshop planning meeting on February 16 and a virtual Broadband Action Team (BAT) meeting on February 9. Discussion was held. Commissioner Rick will also attend the virtual BAT meeting. Ms. Willner will forward the meeting information to him. Ms. Holderman reported the objection period for the broadband fiber grant ends on February 10. Awards should be announced later in the month. Commissioner Onley will let BAT know. He will attend the WPUDA meetings on February 15 – 17 in Olympia.

Commissioner Rick will attend the WPUDA meetings on February 15 - 17 in Olympia and a Tri-County Economic Development District meeting on February 22 in Colville.

Following a short recess, the meeting resumed.

Commissioner Knapp announced a 1-hour executive session to evaluate the performance of a public employee to begin at 10:30 a.m., in the Riverbend Conference Room. No final action will be taken during the executive session. Following this executive session he and the Board will rejoin the open session to continue the meeting.

EXECUTIVE SESSION – TO EVALUATE THE PERFORMANCE OF A PUBLIC EMPLOYEE:

A 1-hour executive session to evaluate the performance of a public employee commenced at 10:30 a.m. The following were in attendance: Board of Commissioners; and Colin Willenbrock, General Manager. The executive session adjourned at 11:28 a.m. The Board returned to open session. No final action was taken during the executive session.

RECOGNITION OF F. COLIN WILLENBROCK:

Ms. Owen, Commissioner Knapp, and Mr. Whitney recognized Mr. Willenbrock for his honorable service with the District. A District and public gathering for Mr. Willenbrock followed.

Commissioner Knapp reported the next meeting is March 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 12:40 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form