

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
April 18, 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
Tyler Whitney, General Counsel
Karen Willner, Clerk of the Board

Others: Nathan Ikehara, Department of Health
Scott Mallery, Department of Health
Olga Darlington, CPA/Engagement Partner, Moss Adams, virtual
Garry Arseneault, Chelan PUD Commissioner/WPUDA Past
President
George Caan, Executive Director, WPUDA
Liz Anderson, Deputy Executive Director, WPUDA
Kirk Boxleitner, Newport Miner, virtual
Timothy Terrill, Member of the Public, virtual
Marty Robinson, Member of the Public
Gretchen Koenig, Member of the Public
Sonya Scauftaire, Selkirk Sun, virtual
Darla Rick, Member of the Public, virtual
Catherine Scott, Member of the Public
Pat Buckley, Member of the Public
Kevin Fisher, Member of the Public

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

BOARD WORKSHOP:

Commissioner Knapp noted a change to the meeting format. Sarah Holderman, District Co-Interim General Manager, reported the award presentation for Mark “Bubba” Scott, District Water Systems Manager has been rescheduled to before lunch.

Discussion was held.

APPROVAL OF CONSENT AGENDA:

The minutes from the April 4, 2023 meeting, today’s revised agenda, and the vouchers were reviewed.

As of this date, April 18, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The revised agenda for April 18, 2023, and the minutes of the April 4, 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 follows: Voucher Nos. 7980 through 8036 in the total amount of \$158,032.37; ACH payments in the total amount of \$1,099,256.42; Wire Transfers in the total amount of \$247,845.40; and ACH payroll transactions in the total amount of \$248,144.72 for the payroll ending March 31, 2023.

The motion passed unanimously.

GENERAL MANAGERS' UPDATE:

- 2022 Audit Presentation, Olga Darlington, Moss Adams. April Owen, District Co-Interim General Manager, reported Olga Darlington, CPA/Engagement Partner, Moss Adams, is here to give a presentation on the District's 2022 Annual Financial Statement audit. Ms. Darlington provided a presentation of the audit and reported there were no findings. She explained new Governmental Accounting Standards Board standards. Discussion was held. Commissioner Knapp commended the District's finance team and Moss Adams. Ms. Owen expressed her appreciation of working with Ms. Darlington and her team. She commended John Bricher, District Finance Manager, for his work on the audit. Ms. Darlington left the meeting.
- Visit with Garry Arseneault, Washington Public Utility Districts Association (WPUDA) Past President. Commissioner Knapp welcomed Garry Arseneault, Chelan PUD Commissioner/WPUDA Past President, George Caan, Executive Director, WPUDA, and Liz Anderson, Deputy Executive Director, WPUDA. Mr. Arseneault provided his background and reported they are here today to listen and learn what the similarities and differences are between the PUDs across the state. He reported that during COVID the WPUDA staff was busy working on new resources and trainings for staff. Ms. Anderson provided a presentation regarding WPUDA's history, mission, resources available, team, organizational structure, meetings, advocacy and its services, training and education, and collaboration and information sharing. Mr. Caan provided additional commentary and explained the importance of working together. Mr. Arseneault asked if there were any questions or anything that WPUDA can do to help the District. Discussion was held.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Knapp inquired if there was any comments from the public.

Gretchen Koenig, member of the public, commented that wildfire mitigation is a big issue for the county and big concern for the public. Commissioner Knapp reported there is a wildfire presentation this Saturday at the Roxy Theater.

Discussion continued on the WPUDA's reunited visit. Commissioner Knapp commended Mr. Caan for his guidance and the work he and his staff do for the PUDs. Mr. Arseneault thanked the Board and staff for allowing them to visit today. Mr. Caan congratulated Mr. Scott on his lifetime achievement award. Discussion was held. WPUDA staff left the meeting.

Following a short recess, the meeting resumed.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported the safety focus for this month is first aid. He explained why first aid/cpr training is so important and reviewed the ABC's of first aid training: A is for airway, B is for breathing, and C is for circulation. Discussion was held.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, reported that April is National Safe Digging month and it applies to anytime you're digging. She explained the importance of calling 811 at least two days before digging. She reported the District held a Call 811 drawing contest in March and she congratulated the winner and showed the winner's picture.

ACTION ITEMS:

- Approval of 32 Telephone Road, LLC Electric Service Agreement. Ms. Holderman reported we have been doing short-term amendments to the current industrial customer's agreement while we were waiting for upgraded electric switchgear to arrive, which was recently installed. The contract is a standard industrial contract, and if the customer wants to increase their load, they would need to do an agreement amendment. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the agreement. The motion passed unanimously.
- Approval of May Energy Transactions. Ben Hall, District Energy Resources Manager, provided an updated cover sheet to the Board and reported the update is due to power market changes. He reported the District will purchase 15 MW of power per hour during heavy load hours and sell 15 MW of power per hour during light load hours for the month of May. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to accept the May energy transactions. The motion passed unanimously.
- Approval of Change to Box Canyon Board Meeting Time. Commissioner Knapp proposed changing the start time for Board meetings at Box Canyon from 9:00 a.m. to 9:30 a.m. A motion was made by Commissioner Onley and seconded by Commissioner Rick to update the time from 9:00 a.m. to 9:30 a.m. and have Karen Willner, Clerk of the Board, update the schedule for the future. The motion passed unanimously.
- Pre-Approval of Commissioner Travel or Meeting Attendance for June. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the commissioner travel or meeting attendance for June as presented in this meeting's Board Packet. The motion passed unanimously. Discussion was held.

MANAGEMENT REPORT:

Kevin Conway, Director of Utility Services:

He is working with Chris Jones, District Director of Operations to implement parts of our Wildfire Mitigation Plan. He explained the process of surveying for danger or hazard trees. He reported the Department of Commerce is trying to get the Forest Service and Department of Natural Resources to coordinate their resources. Discussion was held.

Chance Foss, Electrical Engineer:

He reported staff is working on scheduling outages for circuit switcher repairs and the replacement of the Diamond Lake Substation batteries.

Suzie Wrbelis, Director of Human Resources:

She provided a recruiting update and reported Kyle Miller started yesterday as a Journeyman Lineman. Mike Reed, District Community Network System (CNS) Lead Technician resigned and Patrick Barley, District CNS Technician was awarded the Lead CNS Technician job position. There are 12 open summer student job positions. Discussion was held.

Commissioner Knapp reported he asked Ms. Willner to create and provide a general manager search meetings handout to the Board. Discussion was held.

Bryant Kramer, Director of Power Production:

He shared his screen for a Pend Oreille River outlook and reported snowpack is 89% which is a little lower than was previously reported. The Albeni Falls Dam forecast is predicting a peak in the first half of June depending on the weather. He reported we had

water runoff from the local creeks last week which caused flooding at the Power Lake Powerhouse.

He provided a progress update on turbine unit #4 and showed and explained pictures. He reported the rotor was moved from the e-bay in the powerhouse and was being reassembled. Commissioning of the unit is expected to start later in the week.

Sarah Holderman, Co-Interim General Manager:

She is waiting to hear back from the Washington State Broadband Office on our fiber grant application for the north part of the county. She and Tyler Whitney, District General Counsel met with RTI and the Department of Commerce regarding RTI's objections to our fiber grant application on April 7.

She attended a Northwest Open Access Network Board meeting last week and reported their loan is moving forward and we are waiting on the final agreement. They want to review the bylaws.

She reported the Metaline Falls Lehigh pipe replacement project is scheduled to begin on Monday. She will attend a pre-construction meeting tomorrow.

Ben Hall, Energy Resources Manager:

He attended Public Power Council (PPC) and Pacific Northwest Utilities Conference Committee (PNUCC) meetings with Ms. Owen and Commissioner Knapp on April 5 – 7 in Portland and a Bonneville Power Administration (BPA) Roadshow meeting last week in Spokane regarding the Provider of Choice Post-2028 contracts. He reported the main topic of discussion is transmission and how the power market in the Pacific Northwest is evolving. He reported the BPA contracting timeline is through 2028 with the next round being a 20-year contract from 2028 and beyond. He gave a contracting process overview.

April Owen, Co-Interim General Manager:

She reported HB 1416 passed through the legislature without an amendment and is on the Governor's desk for a signature. Commissioner Knapp commended staff and WPUDA for their help.

Commissioner Onley noted a Newport Miner letter to the editor regarding the Bare Mountain Substation cost and commented that it was misleading to the public. Ms. Owen and Ms. Holderman clarified the dollar amount.

Commissioner Onley reported Energy Northwest is offering a tour of the Columbia Generating Station for WPUDA members and asked Commissioner Knapp for more information. Commissioner Knapp will provide more information as it becomes available. He has signed up to attend.

COMMISSION REPORT:

Commissioner Knapp attended the PPC/PNUCC meetings on April 5 – 7 in Portland and provided an overview. He attended Energy Northwest Safety Review Board meetings on April 10 - 14 in Richland and provided an overview. He and the Board received a letter regarding the Clean Energy Coalition and he will meet with Pend Oreille County Commissioner Robert Rosencrantz tomorrow. He received phone calls regarding various topics.

Commissioner Rick attended the WPUDA meetings on April 12 - 14 in Olympia and provided an overview.

Commissioner Onley attended a Northwest Public Power Association Engineering & Operations Conference and Trade Show on April 4 – 6 in Reno, Nevada and provided an overview. He attended the WPUDA meetings on April 12 – 14 in Olympia and provided an overview. Discussion was held.

COMMISSION BUSINESS:

Commissioner Knapp will attend a virtual Energy Northwest Resource Task Force meeting tomorrow and Energy Northwest Executive Board meetings on April 25 – 27 in Richland. Discussion was held.

Commissioner Onley will attend a virtual WPUA Telecom Workshop today and a Greater Newport Area Chamber of Commerce meeting tomorrow evening at Merkle Standard in Usk.

Commissioner Rick will attend an Economic Development Council meeting tomorrow at the Newport City Hall, a Tri-County Economic Development District meeting on April 26 in Colville, and the PUD Board meeting on May 2 in Newport.

DRINKING WATER LIFETIME ACHIEVEMENT AWARD PRESENTATION TO MARK “BUBBA” SCOTT, WATER SYSTEMS MANAGER:

Ms. Holderman introduced Scott Mallery and Nathan Ikehara with the Department of Health. Mr. Ikehara presented Mr. Scott with a Drinking Water Lifetime Achievement Award and reported this is a prestigious award to receive. He reported the first week in May is National Drinking Water Week. He reported Mr. Scott was nominated by a number of people including Ms. Holderman; Rusty Gill, District Lead Water System Operator; and himself. He gave a background history of Mr. Scott including his service on numerous boards and commended him for receiving awards for Washington State Safe and Reliable Drinking Water Standards. Mr. Mallery reported Mr. Scott will also receive a glass trophy award. Mr. Scott expressed his appreciation for his staff, the District, and the Department of Health teams that he has worked with on many projects over the years.

RETIREMENT/RECOGNITION LUNCH FOR MARK “BUBBA” SCOTT, WATER SYSTEMS MANAGER:

Mr. Whitney commended Mr. Scott for his hard work and dedication, his integrity, and his concern for the water system customers’ health. He thanked Mr. Scott for his role in providing clean drinking water for all of our water customers. He reported that Mr. Scott always gets his projects done and is great at finding funding.

Commissioner Knapp commended Mr. Scott for his service to the District and to our water system customers.

Ms. Holderman presented a service plaque award and retirement card to Mr. Scott from the District.

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

President

ATTEST:

Secretary

General Counsel
Approved as to Form