

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
February 15, 2022
VIRTUAL VIA MICROSOFT TEAMS

Present: Curtis J. Knapp, President
Richard A. Larson, Vice President
Joseph B. Onley, Secretary

Staff Present: Tyler Whitney, General Counsel & Assistant General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Absent: F. Colin Willenbrock, General Manager

Others: Two Members 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 February 1, 2022 meeting, today's agenda, and the vouchers were reviewed. Commissioner Onley made a motion to amend the draft February 1 minutes in reference to a public comment and his travel for February. The motion passed unanimously.

As of this date, February 15, 2022, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The agenda for February 15, 2022 and the amended minutes of the February 1, 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. 6598 through 6649 in the total amount of \$85,892.71; ACH payments in the total amount of \$2,410,353.78; Wire Transfers in the total amount of \$184,268.54; and ACH payroll transactions in the total amount of \$222,128.53 for the payroll ending January 31, 2022.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Larson questioned the commissioner per diem days and asked for the Board's approval to attend the virtual Washington Public Utility Districts Association (WPUDA) meeting on February 16. Commissioner Onley would like a discussion regarding the formal talking points for tomorrow's luncheon with the state legislators.

Commissioner Knapp approved Commissioner Larson's attendance at tomorrow's WPUDA meetings. Commissioner Onley was in agreement.

Tyler Whitney, District General Counsel & Assistant General Manager reported today is an abbreviated meeting and inquired if there was any commission travel days or meetings to address before the March 1 meeting. The Board was good with the current schedule.

Mr. Whitney reported we made a couple momentous milestone payments this month. One was the first payment for the Off-License Settlement Agreement to the Kalispel Tribe of Indians in the amount of \$2.3M. He noted this was six years' worth of work to negotiate

and receive FERC approval. He reported the second payment we made was for the TerraPact Agreement in the total amount of over \$4,267,500 for our transmission line right-of-way easement from the Port and TerraPact.

He reported the Sunvale Acres Water System in the north end of the county has approximately 4,200 feet of distribution line that is 46 years old and needs to be replaced. We had received a Public Works loan but held off using most of those funds in hopes of finding better funding. We applied last fall for a Drinking Water State Revolving Fund and received a Department of Health notice that we received a loan with 50% subsidy. The award letter specified that we raise the water system rates to \$97/month. He reported we will ask for the Board's direction at a March meeting and are also asking for the Board's and the Sunvale Acres customers' feedback. Discussion was held regarding the number of customers (there are 67 lots but not all the lots are built on), monthly water rate, feedback we've already received, loan subsidy requirements, early loan payoff possibility, and other options. Mr. Whitney reported we need to get clarity from the Department of Health on the rate conditions and loan acceptance options. He noted the Board's approved Strategic Plan includes completion of the Sunvale Acres Water System project. Mark Scott, District Water Systems Manager reported we have applied for six to eight funding opportunities but have only received two.

Mr. Whitney provided an Allrise/Ponderay Industries update and reported we have not received Allrise's March load forecast. He noted today's action item for the March surplus energy sales which includes extending the current Electric Service Agreement terms into March, and he inquired if the Board was in agreement to extend it. The Board gave their approval to extend the agreement.

ACTION ITEMS:

- Direction to Staff re: Advanced Metering Project. Mr. Whitney provided the details and reported that staff is asking for formal direction from the Board to authorize staff to move forward with a request for proposal (RFP) for a two-way powerline carrier AMI solution. A motion was made by Commissioner Onley and seconded by Commissioner Larson to authorize staff to issue an RFP for the advanced metering project. The motion passed unanimously. Staff will proceed as directed.
- March Surplus Energy Sales. April Owen, District Director, Audit, Finance & Power Supply provided the details and reported that we use our BPA net requirements in the system and sell off our excess power, including the contractual Boundary energy that we receive. If approved by the Board, we will go out to market for quotes tomorrow. Commissioner Onley noted the last couple surplus sales have been a positive for the District and this sale could be a negative for the District. Ms. Owen reported we anticipate the District will break even. Mr. Whitney provided further details and reported this is an effect of Allrise's forecasted load being included in the District's BPA load forecast. A motion was made by Commissioner Larson and seconded by Commissioner Onley to authorize the general manager to approve the final transaction as long as it is within 10% of the calculated revenue. The motion passed unanimously.

Commissioner Knapp announced a 60-minute executive session on pending and/or potential litigation to begin at 9:10 a.m. with Tyler Whitney, General Counsel present. At 10:00 a.m., the Board will rejoin this open session for any business from the public and if the executive session needs to be extended, they will extend following the open session. No action will be taken during the executive session. The next meeting is on March 1, being held virtually via Microsoft Teams. The Board will discuss the next meeting platform after the executive session.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 9:10 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock,

General Manager; April Owen, Director, Audit, Finance & Power Supply; and Tyler Whitney, General Counsel & Assistant General Manager. The executive session adjourned at 9:59 a.m. The Board returned to open session. No final action was taken.

BUSINESS FROM THE PUBLIC:

Commissioner Knapp asked if there was any business from the public. There was no business from the public.

Mr. Whitney referred to Gretchen Koenig's, member of the public, February 1 comment about using Zoom for our meetings and reported we looked into Zoom and are willing to try it for approximately \$20/month. He asked for the Board's direction. Commissioner Onley gave his thumbs up. Commissioner Knapp inquired if we will keep Microsoft Teams for all other internal meetings. Discussion was held on using both Zoom and Microsoft Teams. Due to a meeting conflict, Commissioner Onley left the meeting. Commissioner Larson commented he has no trouble trying Zoom but won't agree with keeping it until we see if it works better.

Commissioner Knapp inquired if we want to go back to meeting in-person for the March 1 meeting. Mr. Whitney reported we are waiting for Governor Jay Inslee to make a formal announcement on lifting certain restrictions before we proceed and that we will have a Zoom meeting on March 1. Karen Willner, Clerk of the Board will make changes to the next agenda for Zoom and will personally notify Ms. Koenig of the change.

Discussion was held regarding tomorrow's legislative luncheon talking points.

Commissioner Knapp reported the next meeting will be held on March 1 at 8:30 a.m., via Zoom.

There being no further discussion to come before the Board, the meeting adjourned at 10:07 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form