

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
April 4, 2023  
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND  
VIRTUAL VIA MICROSOFT TEAMS

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

Staff Present: April Owen, Co-Interim General Manager  
Sarah Holderman, Co-Interim General Manager  
Management/District Staff  
Tyler Whitney, General Counsel, virtual  
Karen Willner, Clerk of the Board

Others: Lanie Mycoff, Managing Director, Mycoff Fry Partners, LLC,  
virtual  
Gretchen Koenig, Member of the Public  
Darla Rick, Member of the Public, virtual  
Steve Wood, Merkle Standard, virtual  
Timothy Terrill, Member of the Public, virtual  
Sonya Scauftaire, Selkirk Sun, virtual

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

APPROVAL OF CONSENT AGENDA:

The minutes from the March 21, 2023 meeting, today's agenda, and the vouchers were reviewed.

As of this date, April 4, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The agenda for April 4, 2023, and the minutes of the March 21, 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. 7948 through 7979 in the total amount of \$224,017.07; ACH payments in the total amount of \$4,804,678.16; Wire Transfers in the total amount of \$1,701,261.91; and ACH payroll transactions in the total amount of \$232,921.81 for the payroll ending March 15, 2023.

The motion passed unanimously.

BOARD WORKSHOP:

- GM Search Update & Discussion. April Owen, District Co-Interim General Manager, turned the meeting over to Lanie Mycoff, Managing Director, Mycoff Fry Partners, LLC. Ms. Mycoff reported a draft of the GM Search Announcement was provided to the Board and staff for their review. Discussion was held on the salary range, and a residency location requirement will be added to the announcement. Ms. Mycoff will work with Ms. Wrbelis and staff on getting the announcement published. Timeline and tentative interview dates were discussed.

The Board and staff thanked Ms. Mycoff for attending. Ms. Mycoff left the meeting.

Bryant Kramer, District Director of Power Production, provided an update on Box Canyon's unit 4 repairs. He reported that Voith Hydro staff was at Box Canyon to work on the stator, rotor poles, and generator assembly. He provided an overview and pictures. Discussion was held.

Ms. Owen reported we have a Northwest Open Access Network (NoaNet) Loan Agreement on today's agenda. She explained that NoaNet is looking to convert their in-house pension to PERS and in order to cash everyone out they have about a \$10M liability. They have asked their members to do a loan to cover the liability. She reported we have told NoaNet that we are able to loan up to \$500,000 and want it as a 5-year loan. She showed and explained a Community Network System cash balance chart and reported that we have submitted a red-line draft agreement to NoaNet's legal counsel. We are asking the Board to approve the loan in substantially the same form as presented. She asked if there were any questions. Sarah Holderman, District Co-Interim General Manager, reported NoaNet is open to giving us a 5-year loan and they will update our draft loan agreement.

Ms. Owen reported she, Commissioner Knapp, and Ben Hall, District Energy Resources Manager will attend Public Power Council and Pacific Northwest Utilities Conference Committee meetings this week in Portland.

She reported Tyler Whitney, District General Counsel, has given his notice of resignation to the District. He is going to Cable Huston, LLP who has done work with us. She reported Mr. Whitney's last day is May 5 and she expressed her and the District's appreciation of his service to the District and is happy he will continue to work with us through Cable Huston, LLP. Commissioner Knapp congratulated Mr. Whitney and commended his work for the District. Mr. Whitney expressed his gratitude in working with the District and looks forward to continue working with the District in a different capacity.

Commissioner Onley suggested modifying future Board agendas to include a 15-minute Board open dialogue session. Mr. Whitney clarified that Commissioner Onley is suggesting an opportunity for the Board to interact with the public and staff. Discussion was held.

#### SAFETY SPOTLIGHT:

Amber Gifford, District Customer Service & Communications Manager, reported that the District held an All Employee March Madness Safety & Community event on Friday, and the safety topic was distracted driving. Statistics show that texting or talking on a cell phone is more deadly than driving while drunk. She reported the National Transportation Safety Institute put out a pledge for people to drive phone-free and not talk and/or text while driving. She explained the importance of putting cell phones away while driving and encouraged District staff to sign the pledge. Discussion was held.

#### CUSTOMER SPOTLIGHT:

Ms. Gifford reported our internal March Madness Food Drive resulted in 3,320 pounds of food items collected for our local food banks. This is about 1,000 pounds more than was collected last year. One of our Core Values is our focus on our Community and our food drive is a great way to honor that value. She thanked everyone for their support and reported Team TBD, led by Frank Pisano, District Network Supervisor, was the winning team with a margin of 24 pounds with a total of 1,122 pounds.

#### ACTION ITEMS:

- Declaration of Surplus Property – Fleet Assets #102, a 2007 Ford F550 AT37-G Bucket Truck, #111, a 1990 Ford F600 Dump Truck, and #351, a 2006 Ford F550 AT37-G Bucket Truck. Chris Jones, District Director of Operations, reported the trucks that were ordered two years ago are now starting to arrive. These vehicles listed will be replaced by the new vehicles. He provided an overview. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to approve and declare the fleet assets 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.

- Unbudgeted Request – Service Truck. Mr. Jones reported we had started the budget process for next year to get a new service truck for the mechanics. Rob Linton, District Fleet Foreman/Lead Mechanic, found a used truck in Hawaii for \$73,000 plus tax to get it delivered to us. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the unbudgeted request for a service truck in the amount of \$73,000 plus tax. The motion passed unanimously.
- Ratification of Amendment to 32 Telephone Road, LLC Electric Service Agreement. Ms. Holderman reported our industrial customer wants to upgrade their service and has paid for the switch gear. While we were waiting on their switch gear to arrive, we did amendments to extend their contract. This amendment is for an additional 1-month extension. The switch gear has recently arrived so there will be a new agreement through the end of the year for the Board’s consideration at the April 18 meeting. A motion was made by Commissioner Rick and seconded by Commissioner Onley to ratify the amendment to 32 Telephone Road, LLC’s Electric Service Agreement. The motion passed unanimously.
- NoaNet Loan Agreement. Ms. Holderman reported staff is asking the Board to authorize Ms. Owen to execute the agreement in substantially the same format as presented. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to authorize the Interim General Manager(s) to execute the agreement in substantially the same form as presented. The motion passed unanimously.

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, commented that electric energy use is skyrocketing with smart houses and electric charging stations and inquired if the District is thinking long-term on how this use will affect customers, if the District depends on Bonneville Power Administration contracts that supply power, and if the District has a planning process for the long-term. Commissioner Knapp thanked Ms. Koenig for her comments and questions. He asked if there was any other public comments or questions before responding to Ms. Koenig. There were no other public comments/questions.

Ms. Owen responded to Ms. Koenig’s comments/questions and reported that every meeting and/or conference the Board and staff attend that this is a major topic of discussion and that we will continue to talk about how we can meet the energy use and need. Discussion was held.

Commissioner Knapp thanked everyone for attending and for their comments.

COMMISSION REPORT:

Commissioner Knapp had a number of phone calls on various issues this week. He had dinner with Mr. Whitney on March 23 in Tri-Cities. He participated in a Washington Public Utility Districts Association (WPUDA) legislative update call on March 30 and had an update meeting with Ms. Owen on March 31. He attended an Energy Northwest Executive Board meeting on March 22 – 23 in Richland and provided an overview.

Commissioner Onley toured the Merkle Standard facility on March 29 and provided an overview. He attended a virtual WPUDA Water Committee Quarterly meeting on March 30 and provided an overview. He participated in an update call with Ms. Owen on March 31.

Commissioner Rick attended a virtual Tri-County Economic Development District meeting on March 22 and provided an overview.

COMMISSION BUSINESS:

- WPUDA Executive Officers Nominations. Discussion was held regarding the Board’s attendance and the candidates. Karen Willner, Clerk of the Board, will contact WPUDA to add Commissioner Rick as an alternate for the Government Relations and Communications Committees.

Commissioner Knapp announced a 20-minute executive session to evaluate the performance of a public employee to begin at 10:30 a.m., in the Riverbend Conference Room upstairs. No final action will be taken during the executive session. Following this executive session a 30-minute executive session on pending and/or potential litigation will begin at 10:50 a.m., in the Riverbend Conference Room upstairs. No final action will be taken during the executive session. Following the second executive session he will rejoin the open session to adjourn the meeting.

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

A 20-minute executive session to evaluate the performance of a public employee commenced at 10:30 a.m. The following were in attendance: Board of Commissioners; April Owen, Co-Interim General Manager; Sarah Holderman, Co-Interim General Manager; and Tyler Whitney, General Counsel. The executive session adjourned at 10:50 a.m. No final action was taken during the executive session.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 30-minute executive session on pending and/or potential litigation commenced at 10:50 a.m. The following were in attendance: Board of Commissioners; April Owen, Co-Interim General Manager; Sarah Holderman, Co-Interim General Manager; and Tyler Whitney, General Counsel. At 11:20 a.m., Commissioner Knapp publicly announced a 15-minute extension to the executive session. The executive session adjourned at 11:35 a.m. Commissioner Knapp returned to open session. No final action was taken during the executive session.

Commissioner Knapp reported the next meeting is April 18, 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 11:36 a.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form