

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
July 13, 2021
HYBRID MEETING – NEWPORT CONFERENCE ROOM, NEWPORT, WA
& VIRTUAL VIA MICROSOFT TEAMS

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

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

Others: Sheryl Miller, Member of the Public
Gretchen Koenig, Member of the Public
Jeff McCormick, Member of the Public

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

CONSENT AGENDA:

Today's agenda and vouchers were reviewed. The minutes from the June 29, 2021 will be reviewed at the July 20, 2021 meeting.

As of this date, July 13, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The agenda for July 13, 2021.
- 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. 5835 through 5878 in the total amount of \$116,600.95; ACH payments in the total amount of \$178,371.50; Wire Transfers in the total amount of \$3,391,957.89; and ACH payroll transactions in the total amount of \$231,175.63 for the payroll ending June 30, 2021.

The motion passed unanimously.

A roll call was taken by Karen Willner, Clerk of the Board.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Larson requested a broadband grant update. Colin Willenbrock, District General Manager reported Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning has been working on these grants, along with the Northwest Open Access Network (NoaNet). Discussion was held. Commissioner Onley referenced a Box Canyon payment kiosk memo. Mr. Willenbrock reported it is a customer service situation and a way of keeping Box Canyon costs down. Commissioner Onley suggested discontinuing the kiosk service and finding alternative ways for north-end customers to pay their bills.

Mr. Willenbrock reported the Box Canyon Dam generation is approximately 45MW with three units running. The fish passage repairs on the return pipes has begun.

He reported crews are doing a great job given the extreme heat and they have a few underground boring jobs this week. He reported we are alert for the smoke and adverse weather situations going on and making sure we are keeping the crews and employees safe.

He provided a COVID-19 update. We continue with our symptom check-in stations. The biggest impact to the District is the extension of the customer disconnect moratorium to September 30. He reported the Board has received a draft letter to the county commissioners about COVID assistance funds and that almost a third of our customer base is past due in paying their utility bill. The Washington Public Utility Districts Association (WPUDA) lobbying group has done a lot of work advocating to the state.

He reported we received renewable energy credits and we will have the Bonneville Power Administration (BPA) market and manage them.

He reported our interactions with Allrise Capital are moving along and we received their letter of intent for energy services at the site. David Hodder, District Engineering Manager and his team have started the review process. BPA has started its net requirement forecast process. Discussion was held.

Gretchen Koenig, member of the public inquired if a feasibility study will need to be done by BPA. Mr. Willenbrock reported that some interconnection studies would be most likely be required.

- May 2021 Financials Update.

April Owen, District Director, Audit, Financial & Power Supply provided a May 2021 financials update and reported the customer past due accounts as of June have made some progress. There are a lot of customer line extensions including a new subdivision of 28 separate lots each with separate line extensions. Year-to-date there are 94 electric system line extensions and 107 Community Network System (CNS) fiber extensions. There is good growth with fiber and residential customers.

She reviewed our energy sales and revenue and reported we are long which means we have surplus power. We had good Box Canyon Dam generation in May and we didn't have to shut down the dam due to high water flows.

She reported we are under budget in administrative and general and protection, mitigation and enhancement expenses. We had good cash revenue from operating activities. For capital expenditures we continue to have a lot of line extensions and a lot of activity in construction. We are under budget in in our year-to-date forecast.

She reported we will use \$2M each year for five years of the \$10M Ponderay Newsprint Company cash collateral. This will be a monthly 1/12 allocation.

Commissioner Knapp thanked Ms. Owen and her team for the information and noted that Ms. Owen will be on a WPUDA Budget Discussion panel on Thursday.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported two new one-way signs were installed in the Newport Administration building parking lot due to people going the wrong way through our drive-through area. He reported a flagger class was held on July 8 and it went well. He is updating employee training and the process is going well. All safety training for operations and CNS staff is about done. Discussion was held.

Mr. Willenbrock commended Jet Allen, District Line Foreman in Newport for getting his commercial driver's license. He reported John Petrich, District Supervisory Power Plant Foreman said there is a lot of camper activity happening at Campbell Park so we have increased our clean up staff there on the weekends.

CUSTOMER SPOTLIGHT:

Ms. Holderman reported with the customer disconnect moratorium extension, all the door hangers have been updated with the new date of September 30. Shem Norton, District Meter Reader has been hanging the door hangers. She gave kudos to the CNS team for

their work on the fiber connection at the Newport Rodeo grounds. She reported the City of Newport should be set for fiber service for the Bull-a-Rama event this weekend.

Mr. Willenbrock reported there was a great farewell gathering for Robert Fritz, District CNS Supervisor on Friday. Mr. Fritz landed a new job in Pennsylvania and joined a team that is expanding their fiber network in that area.

COMMISSION REPORT:

Commissioner Onley received a customer call regarding concerns of power lines down on the customer's property. He passed the information along to our customer service staff to do a service order. He reported the Greater Newport Area Chamber of Commerce meeting scheduled for July 6 was canceled. He attended a Broadband Action Team meeting on July 8 where Ms. Holderman was also in attendance and reported he is disappointed and frustrated with the group's and meeting progress. He attended Mr. Fritz's farewell event on July 9 in Newport.

Commissioner Knapp attended a City of Newport Council meeting workshop on July 6 in Newport. He inquired about a customer's CT meter. Chris Jones, District Director, Operations provided the details.

COMMISSION BUSINESS:

Commissioner Larson will attend an Economic Development Council meeting on July 21 and would like to have a discussion with the Board and staff prior to that meeting at the next Board meeting.

Commissioner Onley will attend the WPUA meetings on July 14 – 16 at the Skamania Lodge in Stevenson. He will chair the Telecom Committee meeting on July 15.

Commissioner Knapp will attend the WPUA meetings on July 14 – 16 in Stevenson. He signed up for the Aquatic Plant Workshop on July 23 at the Kalispel Tribe of Indians Casino in Cusick.

ACTION ITEMS:

- Declaration of Surplus Property – Copier in the Engineering Department. Kevin Conway, District Director, Compliance, Safety, Engineering & Technology reported the copier is no longer serviceable and repairable by the manufacturer. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Onley to declare the copier as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. Per the state contract agreement, the old copier will be removed by the manufacturer representative at the time of delivery of the new copier/printer. The motion passed unanimously. Staff will proceed as appropriate.
- Riverview Water System Additional Funding Loan Authorization. Mr. Willenbrock reported this a pre-approval for the budget and is not new money but original project funds. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the loan and authorize the general manager to execute the loan. The motion passed unanimously.
- Budgeted Project – OPGW Repair. Mr. Willenbrock reported there is no new update and that more information was provided to the Board per their request. Commissioner Larson appreciated the new third party information and is on board with the staff's recommendation but asked for further discussion first. Commissioner Onley believes there is another solution out there for less cost and provided a summary. Discussion was held. Commissioner Onley made a motion to install a communications replacement for the OPGW at a budget not to exceed half a million dollars (\$500,000). No second was made and Commissioner Onley's motion died. A motion was made by Commissioner Larson and seconded

by Commissioner Knapp to approve the OPGW repair. The motion passed 2 to 1 with Commissioner Onley opposing the motion. Staff will proceed. Mr. Willenbrock noted that Commissioner Onley suggested that we hold capital project workshops as part of the annual budget process. Discussion was held.

- Customer COVID-19 Assistance Letter to County. Commissioner Larson reported he had a conversation with Pend Oreille County Commissioner John Gentle who inquired if we could put together a letter to address our concerns and provide CARES Act dollar amounts and customer income verification to give to the county commissioners for their consideration. Mr. Willenbrock asked Ms. Holderman to revise the letter to add general information and that if the county commissioners can add some funds, the District is in agreement to verify income on a needs basis as customers apply. If the funds are not used, they would go back to the county. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the letter as amended with the suggested changes. The motion passed unanimously.

BUSINESS FROM THE PUBLIC:

Ms. Koenig inquired if the PUD will have a booth at the county fair. Commissioner Knapp reported we will have a booth and Amber Gifford, District Communications, Contracts & Conservation Manager will be organizing.

Ms. Koenig inquired about the status of the recreation requirement per the PUD's Federal Energy Regulatory Commission license. Mr. Willenbrock updated on the progress. Ms. Koenig noted doing a trail around Pee Wee Falls. Commissioner Larson reported the county owns that property and it would be their project.

Commissioner Onley inquired about the Power Lake rental house. Mr. Willenbrock reported the house is vacant and we've had internal staff and public interest. We are reviewing appropriate next steps.

Commissioner Knapp publicly announced that following a 10-minute recess, there will be an executive session on pending and/or potential litigation beginning at 10:20 a.m. that won't last more than 1 ½ hours. After the executive session, he will rejoin this open session meeting to adjourn the meeting.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 1 ½-hour executive session on pending and/or potential litigation commenced at 10:20 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; April Owen, Director, Audit, Financial & Power Supply; and via teleconference, Tyler Whitney, General Counsel & Assistant General Manager and Kinnon Williams, Foster Garvey, PC. Mr. Williams left the meeting at 11:10 a.m. The executive session adjourned at 11:50 a.m. The Board returned to open session. No final action was taken.

Jeff McCormick, member of the public gave the Board a Riverview Water System update and reported the water and water clarity is great now and whatever the District did to clean up the pipes was great. He thanked the staff and also reported that the chlorine was still a little high. He wants to have another Riverview Water System customer meeting with the Board and staff. A meeting will be scheduled.

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

President

ATTEST:

Secretary

General Counsel
Approved as to Form