

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
July 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
Karen Willner, Clerk of the Board

Others: Kirk Boxleitner, Newport Miner, virtual
Gretchen Koenig, Member of the Public
A Guest, Member of the Public, virtual

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

BOARD WORKSHOP:

Discussion was held regarding the general manager search update. Introductions of new employees Brad Scott, District Meter Reader, and Dale Bozarth, District Project Manager, were provided. Discussion was held regarding tomorrow's Economic Development Council and Nine Commissioners (Port/PUD/County) meetings. Discussion was held regarding getting fiber to north county.

APPROVAL OF CONSENT AGENDA:

The minutes from the July 6, 2023 meeting, the July 7, 2023 special meeting, today's agenda, and the vouchers were reviewed.

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

- The agenda for July 18, 2023, and the minutes of the July 6, 2023 meeting and July 7, 2023 special 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. 8300 through 8337 in the total amount of \$456,692.05; ACH payments in the total amount of \$1,077,163.97; Wire Transfers in the total amount of \$240,296.51; and ACH payroll transactions in the total amount of \$244,551.50 for the payroll ending June 30, 2023.

The motion passed unanimously.

GENERAL MANAGERS' UPDATE:

Sarah Holderman, District Co-Interim General Manager, reported Amber Gifford, District Customer Service & Contracts Manager, will provide an extreme heat law presentation.

Ms. Gifford reported on HB1329 which states utilities are prohibited from terminating electric or water service to residential customers due to non-payment during a heat event. This law is effective July 23. She reviewed heat events criteria, how it affects us, and how we will communicate information to our customers. Discussion was held.

April Owen, District Co-Interim General Manager, reported there was a 115kV transmission line outage yesterday due to a tree falling on the line. She reported there is a scheduled outage today through Thursday at the Usk Substation for substation transformer testing.

She provided an update regarding Cascade Digital's line extension process with the Bonneville Power Administration (BPA) Feasibility Study and reported staff will clarify questions on load use during a regular monthly meeting with BPA on Thursday. She asked if the Board is interested in having its annual townhall meeting in September. Discussion was held.

Ms. Holderman proposed having a BBQ lunch after the August 1 Board meeting for Newport summer students and staff and after the August 29 Board meeting for Box Canyon summer students and staff. Discussion was held. Staff will organize.

ACTION ITEMS:

- Bid Award – Contract 23-042 Distribution Padmount Transformers. Ms. Gifford provided a bid tabulation summary. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to award the bid for Contract 23-042 Distribution Padmount Transformers to the apparent low bidder, Nexgen Power in the total amount of \$2,003,220 as presented. The motion passed unanimously.
- Bid Award – Contract 23-043 Underground Primary Wire. Ms. Gifford provided a bid tabulation summary. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to award the bid for Contract 23-043 Underground Primary Wire to the apparent low bidder, General Pacific in the total amount of \$503,820.60 as presented. The motion passed unanimously.

SAFETY SPOTLIGHT:

Kevin Conway, District Director of Utility Services, reported we had a mock safety exercise at Box Canyon last week with a scenario where an injured individual (used a mannequin as the victim) fell into the fish ladder. Bryant Kramer, District Director of Power Production, shared pictures. Mr. Conway reported it was a good exercise with a lot of staff and summer student involvement. He commended Adam Wiltse, District Safety Manager, for organizing this event. Discussion was held. Mr. Kramer reported the crew did a great job and had great communication. Ms. Owen commended the crews.

CUSTOMER SPOTLIGHT:

Ms. Gifford shared pictures from yesterday's Founders Park (Newport RV Park) Ribbon-Cutting Ceremony. Ms. Owen reported the site is almost up and running and the city is getting the camp host set up. It is a good addition for our community. Commissioner Knapp noted that recreation is a big component to our Federal Energy Regulatory Commission (FERC) License.

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, is hearing about heat breaks legislation and inquired how it affects the District. Mr. Conway reported it depends on various criteria. Discussion was held.

Ms. Koenig inquired that if Founders Park is part of our FERC License would more recreation funding be available. Ms. Owen reported the Founders Park project will help improve recreation opportunities in the county. Ms. Koenig noted the water trail is also a

recreation benefit and inquired if the PUD could provide funding. Ms. Owen explained the license requirement is managed by the the Forest Service and it refers to occupancy at campsites. Discussion was held.

Commissioner Knapp thanked the public for attending and providing comments.

MANAGEMENT REPORT:

Ms. Owen reported the Board was given a capital projects list and she provided an overview. Ms. Holderman reported the expenditures are preliminary through June and what they are expected to be at the end of this year.

Kevin Conway, Director of Utility Services:

He reported we will have a FERC inspection on the Cusick dike, Box Canyon Dam and Sullivan Dam next week.

Rob Forbes, Network Support Specialist:

He reported the fiber mapping will soon be completed and turned over to in-house staff.

He reported the iVUE Telecom module is installed and running and will replace the current Community Network System portal by the end of this year.

Philip Roice, Engineering Manager:

He reported there is a scheduled outage for the Usk Substation T-30 transformer and 115kv transmission line this week. The circuit switcher parts are scheduled to be installed on August 7 at Cusick and Box Canyon. The Diamond Lake pole building is moving along.

Discussion was held regarding yesterday's outage due to high winds.

He reported the OPGW repairs are delayed again due to parts delivery which are now coming in April. The District will go out to bid again on underground wire. The meter installation will be done. Discussion was held.

Ms. Holderman provided an operations projects overview and reported Chris Jones, District Director of Operations, said the crews are helping move the reclosers to One-Shot. He said other PUD's are having trouble getting poles. She provided an equipment and vehicle projects overview.

Suzie Wrbelis, Director of Human Resources:

She reported the Hearing Conservation program where all employees who work in a high noise job are tested annually was completed for this year. Discussion was held regarding recruiting and employee evaluations.

Bryant Kramer, Director of Power Production:

He reported the Metaline Falls Water System pipe replacement project is mostly complete. The lower portion was completed on July 12 and crews need to install a fire hydrant. The upper portion was completed on June 15. Hydroseeding will be done in the fall. Commissioner Knapp noted a call he received from a customer which he forwarded to Rusty Gill, District Lead Water System Operator and he commended Mr. Gill for his quick response and for doing a great job managing this project. Discussion was held.

Mr. Kramer reported the Board had asked how much it would cost to demo versus fix the caretaker's house at the Calispel Powerhouse. Demo would cost approximately \$40,000 which includes use of an excavator and haul away and we would need to consider asbestos and lead. A fix could cost upwards of \$200,000. He has removed this project

from his list for now. Discussion was held. The Board would like to keep the historic property and restore it. The roof leak will be fixed and staff will put a plan together.

He reported the Box Canyon boat launch project will be delayed in order to get more information and possible grant funding. There is some erosion to take care of and he and staff will come up with a better plan.

He reported the District will go through a bid process for the rotor key keepers and work should be done in September.

He showed pictures of school students taking tours of Box Canyon Dam and the fish ladder. He explained this was done as a public outreach and he commended Syd Maurer, District Wildlife & Habitat Specialist, for doing a great job in working with the students in showing them how the fish are processed. He commended Scott Jungblom, District Natural Resources Manager, for doing a great job presenting at the Aquatic Plants Workshop last Friday.

Scott Jungblom, Natural Resources Manager:

He reported the Aquatic Plants Workshop went well with approximately 50 citizens in attendance. This is a great educational event and incorporates our FERC License elements.

He reported the instream structure for the West Branch of LeClerc Creek construction work that was bid earlier this year will start next week.

He provided a wildlife management and monitoring update and reported the work was contracted out for the amphibian and vegetation surveys. The goal is to maintain and monitor these projects.

Commissioner Onley commended Mr. Jungblom for doing a great job on his Aquatic Plant Workshop presentation.

Ben Hall, Energy Resources Manager:

He reported the District has moved to the next phase with Cascade on their successor electric service agreement. Tyler Whitney, Cable Huston, LLP is reviewing the initial draft agreement and then we will get it to Cascade for their review. Discussion was held.

Ms. Owen provided a financial audit update on behalf of John Bricher, District Finance Manager. She reported the Department of Revenue audit is almost closed and we have a refund coming back. There is one item we are still working on regarding the collateral we received from Ponderay Newsprint Company. We will have a Clean Energy Transformation Act audit which is performed through the Washington State Auditors Office. Other PUD's are going through this audit but we haven't heard when our audit will be scheduled. She commended Mr. Bricher on the great job he is doing.

COMMISSION REPORT:

Commissioner Knapp attended the Special Board meeting on July 7 in Newport. He reported the Energy Northwest Resource Task Force meeting was moved to July 24. He attended the Washington Public Utility Districts Association (WUDA) meetings on July 12 - 14 in Suquamish and provided an overview. He spoke with Don Gronning, Newport Miner, regarding a Cascade news article and he spoke with a Metaline Falls Water System customer regarding the pipe replacement project.

Commissioner Onley attended the Special Board meeting on July 7 in Newport. He attended the WPUA meetings on July 12 - 14 in Suquamish and provided an overview. He commended Commissioner Knapp on his speech at the Past Presidents dinner. He attended the Founders Park/Newport RV Park Ribbon-Cutting Ceremony yesterday.

Commissioner Rick attended the Special Board meeting on July 7 in Newport. He attended the WPUA meetings on July 12 - 14 in Suquamish and provided an overview.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for August.

Commissioner Knapp will attend the Board meetings on August 1 and 15 in Newport and August 29 at Box Canyon in Ione, the Energy Northwest CNSRB meetings on August 13 – 17 in Richland, Energy Northwest meetings on August 22 – 25 in Blaine, and Employee Safety Day on August 31 at the Camas Wellness Center.

Commissioner Onley will attend the Board meetings on August 1 and 15 in Newport and August 29 at Box Canyon in Ione, a virtual Greater Newport Area Chamber of Commerce meeting on August 2, a potential virtual Broadband Action Team meeting on August 9, and Employee Safety Day on August 31 at the Camas Wellness Center.

Commissioner Rick will attend the Board meetings on August 1 and 15 in Newport and August 29 at Box Canyon in Ione, a Tri-County Economic Development District meeting on August 30 in Colville, and Employee Safety Day on August 31 at the Camas Wellness Center.

A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the commissioner travel or meeting attendance for August, as presented. The motion passed unanimously.

Commissioner Knapp will attend a Port/PUD/County Nine Commissioners meeting tomorrow at the Port in Usk, a virtual Energy Northwest Resource Task Force meeting on July 24, a Special Board meeting on July 24 in Newport, Energy Northwest meetings on July 25 – 27 in Pasco, and a Board meeting on August 1 in Newport.

Commissioner Onley will attend the Port/PUD/County Nine Commissioners meeting tomorrow at the Port in Usk, a Special Board meeting on July 24 in Newport, and a Board meeting on August 1 in Newport.

Commissioner Rick will attend an Economic Development Council meeting tomorrow in Newport, a Port/PUD/County Nine Commissioners meeting tomorrow at the Port in Usk, a Special Board meeting on July 24 in Newport, a TEDD meeting on July 26 in Colville, and a Board meeting on August 1 in Newport.

Discussion was held regarding the budget, building fiber in the north county, and resource adequacy.

Commissioner Knapp announced that following lunch, he and the Board will return to adjourn the meeting.

Commissioner Knapp, reported the next meeting is on August 1, 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 11:52 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form