

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
January 4, 2022
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: Gretchen Koenig, Member of the Public
Sean Reagan, North Pend Oreille County Chamber of Commerce
Sonya Scauftaire, Selkirk Sun

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 December 21, 2021 meeting, today's agenda, and the vouchers were reviewed.

Commissioner Onley made a motion to amend the December 21, 2021 minutes under the public hearing for the redistricting plan where Tyler Whitney, District General Counsel & Assistant General Manager noted the redistricting plan review period; it will be changed to ten years from three years. Commissioner Knapp seconded the motion. The motion passed unanimously.

Commissioner Onley made a motion to amend the December 21, 2021 minutes to add the verbatim discussion the Board had regarding the election of Board officers for 2022. There was no second to Commissioner Onley's motion and his motion died. Commissioner Larson made a motion to approve the December 21, 2021 minutes as amended to reflect Mr. Whitney's redistricting plan review period change. Commissioner Onley seconded Commissioner Larson's motion. Discussion was held regarding the amended minutes procedure. The motion passed unanimously.

Colin Willenbrock, District General Manager noted today's annual review of the Governance Policy related to Board officer elections and reminded the commissioners that under the policy the Board officers are to be elected in odd number years.

As of this date, January 4, 2022, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The agenda for January 4, 2022.
- 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. 6451 through 6479 in the total amount of \$37,818.24; ACH payments in the total amount of \$491,312.11; Wire Transfers in the total amount of \$9,092,589.72; and ACH payroll transactions in the total amount of \$243,341.21 for the payroll ending December 15, 2021.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Onley complimented staff for an awesome job in separating the electric system, Community Network System (CNS) and water systems customer arrearages. He asked about the number of retail service providers (RSPs) in the county. Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning reported the number was ten.

Commissioner Onley inquired about the commissioner per diem hours per day. Mr. Willenbrock explained the District has historically recorded eight hours for each per diem day claimed. This is for the Department of Retirement Services information. He reported that Commissioner Onley had previously asked how other PUDs charge their time. Commissioner Onley wants to change it to something other than eight hours, but not necessary actual time. Discussion was held. Mr. Willenbrock recommended the Board decide on an average number of hours spent on each per diem day and adopt that as the standard.

Mr. Willenbrock reported April Owen, District Director, Audit, Finance & Power Supply will provide a November financial report.

Ms. Owen shared her screen and provided a November 2021 financial report. Discussion was held.

Mr. Willenbrock reported our financial performance continues to be impressive and that during the first quarter of 2022 we will have a discussion with the Board on our strategic plan metrics. Discussion was held regarding deferred maintenance and capital projects that are deferred.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager provided a COVID-19 update and reported there were 30,000 new confirmed cases in Washington State yesterday. Hospitalizations are trending up slightly but fatalities are trending down. He reported there are changes in the Center for Disease Control guidelines and these guidelines are posted on their website. He reported that none of the guidelines have been adopted by Washington State and the biggest change is shortening the quarantining period from ten to five days. Another change is the booster shot is now a requirement of not quarantining after an exposure. Commissioner Larson inquired if our COVID-19 Safety Policy will always need to be updated. Mr. Willenbrock reported our policy is fluid as it references changing federal and state guidelines.

CUSTOMER SPOTLIGHT:

Ms. Holderman provided a summary of past due customer accounts for electric, CNS and water systems. Commissioner Onley thanked her for the information. Mr. Willenbrock noted the majority of customer balances in arrearage is in the 30 days past due category and our customer service representatives do a great job in working with customers to make payment arrangements. Commissioner Larson inquired about the customer water account arrearages. Discussion was held.

She received a customer thank you to our tree trimming crew noting he/she was impressed with their work and for doing a great job.

COMMISSION REPORT:

Commissioner Larson had a discussion with staff, the Northwest Open Access Network (NoaNet), and RTI regarding our fiber grant applications. Mr. Willenbrock reported this was a Washington State Broadband Grant Objection Hearing between RTI and the PUD to better understand RTI's objection for the PUD's grant application to expand fiber to north Pend Oreille County.

Commissioner Onley had a conversation yesterday with Mr. Willenbrock regarding the minutes.

Following a 5-minute recess, the meeting resumed.

BUSINESS FROM THE PUBLIC:

Gretchen Koenig, member of the public, request that the public be included when the PUD discusses its line extension policy updates in the future. She also suggested negotiating rates with insurance companies. Commissioner Knapp thanked Ms. Koenig for her comments.

Sean Reagan, North Pend Oreille County Chamber of Commerce reported he is attending today's meeting for the action item on District Organization Representation.

Discussion was held regarding line extension quotes and insurance company risks, costs and coverage.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for February. Commissioner Knapp will attend the virtual PUD Board meetings on February 1 and 15 and the Washington Public Utility Districts Association (WPUDA) meetings on February 16 – 18 in Olympia. Commissioner Larson will attend the virtual PUD Board meetings on February 1 and 15, a virtual NoaNet Board meeting on February 9, a virtual Broadband Action Team (BAT) meeting on February 10, the virtual WPUDA meetings on February 17, and a virtual Tri-County Economic Development District (TEDD) meeting on February 23. Commissioner Onley will attend the virtual PUD Board meetings on February 1 and 15 and the WPUDA meetings on February 16 – 18 in Olympia.

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

Commissioner Knapp inquired if there were any changes to the Board's pre-travel plans for January. Commissioner Larson attended a virtual Department of Commerce and RTI meeting/hearing on December 27. A motion to approve Commissioner Larson's extra day of meeting attendance in December was made by Commissioner Onley. The motion was seconded by Commissioner Knapp. The motion passed unanimously.

Commissioner Larson will attend a virtual BAT meeting on January 13, virtual WPUDA meetings on January 12 – 13, a virtual PUD Board meeting on January 18 and a virtual TEDD meeting on January 26.

Commissioner Onley will attend the virtual WPUDA meetings on January 12 – 13 and the virtual PUD Board meeting on January 18.

Commissioner Knapp will attend the WPUDA meetings on January 12 – 14 in Olympia, a virtual PUD Board meeting on January 18, and Energy Northwest meetings on January 25 – 27 in Olympia.

ACTION ITEMS:

- Damage Claim DC-209807. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the damage claim in the total amount of \$248.50. The motion passed unanimously. Staff will proceed as appropriate.
- District Organization Representation for 2022 – Chambers of Commerce for Newport and North Pend Oreille County and Rotary/Historical Society. Mr. Willenbrock reported at the last meeting these representatives were tabled

until today's meeting. His recommendation is that if we have assign any representatives they need to attend regularly and be active members. If the Board would like him to assign staff to these organizations he needs to know what role the Board wants these staff members to have. Commissioner Larson reported he cannot see having staff attend the North Pend Oreille County Chamber of Commerce meetings and will continue attending as the District's representative. Commissioner Onley is good attending the Newport Chamber of Commerce meetings. Sean Reagan, North Pend Oreille County Chamber of Commerce appreciates Commissioner Larson attending the meetings. Mr. Willenbrock reviewed the updated list and reported for the Rotary and Historical Society staff will attend as needed. Commissioner Onley objected to having Commissioner Larson designated for the WPUDA Telecom Committee as he is the currently the Vice-Chair of that committee. Discussion was held. Mr. Willenbrock encouraged the Board to work together. Ms. Koenig inquired as to why the District was not designating a representative for the Economic Development Council (EDC). Commissioner Larson reported we are waiting until we have a better sense of the organizations focus. A motion was made by Commissioner Knapp to approve all District Organization Representatives for 2022, including the Newport and North Pend Oreille County Chamber of Commerce. Commissioner Larson seconded Commissioner Knapp's motion. The motion passed. Commissioner Onley was opposed.

- Resolution No. 1457 – Providing for Exemptions to Competitive Bidding Requirements. This resolution is an update to Resolution No. 1272 for exemptions to our competitive bidding requirements. Mr. Whitney reported there are two material changes: to designate the general manager or designee to waive the requirements, and to revise the set purchasing dollar amount for the general manager's approval level. A motion was made by Commissioner Larson and seconded by Commissioner Onley to adopt the resolution. The motion passed unanimously.
- Resolution No. 1458 – Declaring an Emergency Due to Supply-Chain Constraints on Utility Materials. Mr. Whitney reported this resolution falls under two exemptions – emergencies for special facilities and special market conditions. This resolution also formally approves Contract No. 21-032 from the last meeting. A motion was made by Commissioner Larson and seconded by Commissioner Onley to adopt the resolution. The motion passed unanimously.
- Annual Review of Governance Policy. Commissioner Knapp reported this is the most important document for a commissioner and appreciates taking the time to review. Mr. Willenbrock encouraged the Board to read the policy. He highlighted and reviewed Section 4 on Board Job Descriptions. He reminded the Board they do make decisions as a collective body and must make decisions that are in the best interest of our ratepayers and to trust in staff to put the Board's direction and goals in place. Commissioner Larson was good with the review. Commissioner Onley questioned the Board's compliance with Section 3, Governance Focus, in particular: "the use of expertise of individual members to enhance the effectiveness of the Board."

Commissioner Knapp was informed there was more business from the public and asked if there was any further business from the public. Sonya Scaufaire, Selkirk Sun referenced the BAT meeting attendance and appreciated the PUD Board and/or staff attending because things came up at a meeting and with staff and Board present and commenting these things may not have come to light if they were not in attendance. Commissioner Knapp thanked Ms. Scaufaire for her comment.

Annual Review of Governance Policy (continued). Mr. Willenbrock reported this is only a review and no action is needed unless an amendment is needed. Commissioner Larson emphasized the importance of Section 9 Board Members Code of Conduct. Commissioner Knapp didn't have any amendments to the policy.

Commissioner Knapp announced a 90-minute executive session on pending and/or potential litigation to begin at 11:15 a.m. with Tyler Whitney, General Counsel and Colin Willenbrock, General Manager present. If the executive session needs to be extended, he will rejoin this open session to publicly announce an extension. Following the executive session he and/or the Board will rejoin the open session to take any action or to adjourn the meeting. No action will be taken during the executive session. The next meeting is on January 18, being held virtually via Microsoft Teams.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 90-minute executive session on pending and/or potential litigation commenced at 11:15 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; and Tyler Whitney, General Counsel & Assistant General Manager. The executive session adjourned at 11:54 a.m. The Board returned to open session. No final action was taken.

Following a 5-minute recess, the meeting resumed.

At 12:00 p.m., the meeting resumed. Discussion was held regarding future Board meetings. Commissioner Larson would like to have meetings held in person for more efficiency. Commissioner Onley wants to ride out the storm. Commissioner Knapp agreed with Commissioner Larson, however noted that we are dealing with COVID. Mr. Willenbrock explained if we have meetings in person they need to be fully open to the public. We have space to spread out but the other question is masking and our policy requires us to wear masks. He reported it is up to the Board and we can work through the logistical issues. He asked the Board to consider the best way to facilitate the meetings and that we could do both in person and virtual but we can't mandate the public being vaccinated. Commissioner Knapp suggested doing an in person meeting on March 1. Commissioner Larson noted we can look at the last meeting in February and decide from there. Commissioner Knapp inquired how the District is doing with COVID. Mr. Willenbrock reported we do not currently have any outbreaks.

Commissioner Knapp reported the next meeting is January 18, via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 12:08 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form