

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
April 2, 2024  
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND  
VIRTUAL VIA MICROSOFT TEAMS

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

Staff Present: John Janney, General Manager  
Management/District Staff  
Karen Willner, Clerk of the Board

Others: Olga Darlington, Moss Adams Partner, virtual  
Gretchen Koenig, Member of the Public  
Sonya Scauftaire, Selkirk Sun, virtual

The meeting was called to order at 8:30 a.m. by Joseph B. Onley, President.

BOARD WORKSHOP:

Discussion was held regarding the Board's travel.

APPROVAL OF CONSENT AGENDA:

The minutes from the March 19, 2024 meeting, today's agenda, and the vouchers were reviewed.

As of this date, April 2, 2024, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The agenda for April 2, 2024 meeting, and the minutes of the March 19, 2024 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. 9207 through 9237 in the total amount of \$119,372.69; ACH payments in the total amount of \$193,140.23; Wire transfers in the total amount of \$1,138,091.19; and ACH payroll transactions in the total amount of \$240,235.88 for the payroll ending March 15, 2024.

The motion passed unanimously.

GENERAL MANAGER REPORT:

John Janney, District General Manager, reported the April 16 Board meeting conflicts with the Washington Public Utility Districts Association (WPUDA) Annual Conference and suggested moving the management report to the April 30 Board meeting.

He reported agencies are discussing a bull trout reintroduction and he attended a Pend Oreille County Commission meeting with the Washington Department of Fish and Wildlife, the United States Fish and Wildlife Services, and the Kalispel Tribe of Indians to discuss a fish reintroduction proposal. There is another meeting on April 17 in the evening at the Cutter Theatre for agency input. Bryant Kramer, District Director of Power Production and Scott Jungblom, District Natural Resources Manager will attend. We will follow this topic, evaluate the potential impacts on our license obligations and other natural resources and learn more about how our customers feel about the proposed project. Discussion was held.

He reported we continue to be involved in the Town of Cusick water discussion and he is attending a meeting tomorrow to continue these discussions. The Kalispel Tribe of Indians offered to be the financing agency to help channel the potential state and/or federal funds and manage those funds. Discussion was held.

He will attend the virtual Pacific Northwest Utilities Conference Committee (PNUCC) and Public Power Council (PPC) meetings this week where there will be further discussion of the Bonneville Power Administration Provider of Choice Policy.

#### MOSS ADAMS AUDIT PRESENTATION:

April Owen, District Director of Finance, introduced Olga Darlington, Moss Adams Partner, and reported we have completed the audit.

Ms. Darlington provided a 2023 Financial Statements Audit presentation. She reported the District received a clean audit and explained the audit is a risk-based audit. She reviewed the highlights of their audit emphasis and reported the District revenues have increased. A GASB 96 Subscription-Based Information Technology Arrangement standard was implemented in 2023.

She thanked Ms. Owen and her team for being great to work with and commended the District's management staff for having a high level of integrity and being great to work with. Discussion was held on the audit on-site and off-site visits and processes. Ms. Owen thanked Ms. Darlington and her team for being great to work with and knowing our utility and other utilities which is valuable guidance for us. Commissioner Onley thanked Ms. Darlington for attending and for her work with the District. Ms. Owen thanked John Bricher, District Finance Manager, for his help with the audit.

#### GENERAL MANAGER REPORT (continued):

Mr. Janney commended Ms. Owen and Mr. Bricher for doing a professional top-notch job with our financial statements and related disclosures.

He and staff are looking at our current policy for sponsorships/funding requests and PUD-logo clothing. We received a sponsorship request from the Greater Newport Area Chamber of Commerce which we are not able to fund under our existing policy. He would like to revisit our policy and will reach out to WPUA to see what other PUDs are doing and for available options.

He reported that with the recent wildfires, more agencies are putting more focus on their critical assets risk mitigation. We are participating in the County's Multi-Jurisdiction Hazard Mitigation Plan update. He will also attend a Values at Risk discussion meeting today at the County Courthouse initiated by Carin Vadala, District Ranger at the Forest Service. We are reviewing our District Wildfire Mitigation Plan for any updates needed in advance of a deadline for submitting our plan to the Washington State Department of Natural Resources later this year. He spoke with Ms. Vadala, JoAnn Boggs, Pend Oreille County Emergency Manager, and Chris Haynes, Fire Chief at Pend Oreille County Fire Protection District 2 to discuss how we can best coordinate our plans. He reported that we engaged a consultant to help with updating our plan.

He reported that with many simultaneous projects underway – some of which are regulatory requirements – he is realizing how thinly staffed we are in some areas. The District trimmed its staff as a cost containment measure a few years ago in response to the Ponderay Newsprint Company closure. Since then, our employees have done an amazing job getting by with less – but the amount of work that is required to build, maintain and safely operate our critical infrastructure and comply with increasing regulatory burdens is putting a strain on certain functions. A critical component of our Strategic Planning Process will be workforce planning – evaluating our overall staffing needs (number and skills/experience), succession planning, employee development and other workplace cultural elements that will help our District remain a preferred place to work. All of this will be designed to allow our District to attract and retain the skilled workforce we will need to fulfill our regulatory obligations while continuing to provide

reliable, safe and affordable utility services to our customers now and into the future. Discussion was held.

Following a short recess, the meeting resumed.

#### BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Onley asked if there was any business or comments from the public.

Gretchen Koenig, member of the public noted an Inlander news article regarding the Northwest Hydrogen Hub.

Sonya Scaufaire, Selkirk Sun, reported the Broadband Action Team (BAT) is back and sent an email to invite Commissioner Onley to attend the next meeting. Commissioner Onley thanked Ms. Scaufaire for the invite but has a conflict. Sarah Holderman, District Director of Customer Services will plan to attend.

Commissioner Onley thanked the public for their comments and for attending.

Ms. Holderman provided a BAT update and reported the first BAT meeting is later today. She reported the Northwest Open Access Network agreement for BEAD Grant opportunities was signed and a kickoff meeting will be held this Thursday.

#### SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported Labor and Industries published an enforcement document for visiting job sites. He explained that employers need to do a safety risk analysis for hazard material assessments. There are 14 elements in the analysis guidance document that need to be in place before the end of 2024. He reviewed the analysis guidance document which includes process and procedure requirements.

Mr. Janney reported that as a small utility we do get some regulatory relief however, in cases like this keeping employees safe applies equally to both large and small utilities. Employee and customer safety is one of our core values. For smaller utilities, the costs to implement and maintain prudent safety measures is often higher on a per-customer basis – which tends to place more pressure on rates. Discussion was held on the options and audit review requirements.

#### CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service and Contracts Manager, reported the month of April is National Safe Digging month. She provided an overview of the 811 Call Before You Dig process, reported there is an article in this month's Customer Connect newsletter, and reviewed the four steps on when to call 811 before digging.

She announced the 811 Call Before You Dig Poster Contest winners and shared the winners poster submittals which help to bring awareness to National Safe Digging month. Discussion was held.

#### ACTION ITEMS:

- Approval of Bid Award – 795 ACSR Wire Procurement, Contract No. 24-009. Chris Jones, District Director of Operations, reported this is wire for the under build between the Diamond Lake and Bare Mountain Substations. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve and award the bid to the apparent low bidder, DP Wire & Cable, in the total amount of \$448,032.00. The motion passed unanimously.
- Bid Award – Surplus Property Fleet Asset #653, a 2008 Ford F150 Truck. Discussion was held. A motion was made by Commissioner Rick and seconded

by Commissioner Knapp to award the bid to the highest bidder, as presented. The motion passed unanimously.

- Declaration of Surplus Property – Information Technology Equipment. Bob Pebles, District IT Manager/CIP Senior Manager, reported some equipment was changed out and some equipment was broken and the equipment will be recycled through an e-cycler or donated to a local school district. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve and declare the equipment as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District’s operations, and 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.

COMMISSION REPORT:

Commissioner Rick attended an Economic Development Council meeting on March 20 in Cusick, a Pend Oreille County Representatives Workshop on March 21 in Newport, and a Tri-County Economic Development District (TEDD) meeting on March 27 in Colville. He provided an overview of the meetings. Discussion was held.

Commissioner Knapp attended a virtual Energy Northwest Resource Task Force meeting on March 20 and Energy Northwest meetings on March 26 - 28 in Richland. He provided an overview of the meetings.

Commissioner Onley attended a Pend Oreille County Representatives Workshop on March 21 and a virtual WPUA Water Committee meeting on March 28. He provided an overview of the meetings.

COMMISSION BUSINESS:

Commissioner Knapp will attend the virtual PPC meetings on April 3 and 4 and a virtual PNUCC meeting on April 5. He may attend the April 16 Board meeting virtually due to attending the WPUA Annual Conference.

Commissioner Rick will attend the virtual BAT meeting today if the Board approves his attendance. The Board approved his attendance. He will attend a Northwest Public Power Association Engineering and Operations Conference on April 8 - 12 in Tacoma.

Commissioner Onley will attend a Greater Newport Area Chamber of Commerce meeting on April 3 in Newport. He noted his appreciation of Mr. Janney scheduling individual Monday meetings with the Board. He may attend the virtual PPC and PNUCC meetings this week.

Commissioner Knapp distributed and explained the WPUA Annual Conference meetings schedule and voting member information to Commissioners Onley and Rick.

Commissioner Onley reported the next meeting will be held on April 16 at 8:30 a.m., in Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 10:47 a.m.

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President

ATTEST:

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Secretary

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General Counsel

Approved as to Form