

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
February 18, 2025
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Dave Rick, President
Curtis J. Knapp, Vice President
Troy J. Moody, Secretary

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

Others: Tyler Whitney, Cable Huston, LLP, virtual
Lynee Barsi, Member of the Public
Su Hale, Member of the Public
Gretchen Koenig, Member of the Public
Tom Pulford, Member of the Public
Steve Crawford, Member of the Public
Jack Whorley, Member of the Public

The meeting was called to order at 8:30 a.m. by Commissioner Dave Rick, President.

He announced a 20-minute executive session for pending and/or potential litigation will begin at 8:35 a.m. in the Riverbend Conference Room. If the executive session needs to be extended he will rejoin the open session to publicly announce an extension. No final action will be taken during the executive session. Following the executive session, he and the Board will rejoin the open session to take any action or to continue the meeting.

He reported that he; Commissioner Moody; and Joe Hathaway, District Public Information Officer, met with Senator Shelly Short on February 13 in Olympia and expressed his appreciation of Commissioner Moody's questions and comments and their conversation. Discussion was held regarding the Washington Public Utility Districts Association (WPUDA) meetings held on February 12 – 14 in Olympia.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 20-minute executive session for pending and/or potential litigation commenced at 8:35 a.m. The following were in attendance: Board of Commissioners; John Janney, General Manager; and Tyler Whitney, Cable Huston, LLP, virtually. The executive session ended at 8:56 a.m. and the Board returned to open session. No final action was taken during the executive session.

APPROVAL OF CONSENT AGENDA:

The minutes from the February 4, 2025 meeting, the February 10, 2025 special meeting, the February 12, 2025 special meeting, today's agenda, and the vouchers were reviewed.

As of this date, February 18, 2025, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Moody approved the following:

- The agenda for the February 18, 2025 meeting, the minutes of the February 4, 2025 meeting, the minutes of the February 10, 2025 special meeting, and the minutes of the February 12, 2025 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. 10199 through 10245 in the total amount of \$82,683.82; ACH payments in the total amount of \$1,522,584.50; Wire transfers in the total amount of \$304,102.88; and ACH payroll transactions in the total amount of \$283,430.16 for the payroll ending January 31, 2025.

The motion passed unanimously.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Rick explained the format for this session and asked if there was any business or comments from the public.

Su Hale, member of the public, inquired about the 4% rate increase and expressed her concern that people won't survive and will lose their homes and a lot more if there is a rate increase. We can't afford a rate increase and people are on fixed incomes.

Gretchen Koenig, member of the public, commented that she is glad to be back and glad the District is not Southern California Edison.

Commissioner Rick noted today's rate hearing and thanked everyone for attending and for comments and questions.

GENERAL MANAGER REPORT:

John Janney, District General Manager, reported that staff planned on presenting a Meter Opt-Out Program today but decided to delay. A meter presentation will be added to the Board's SharePoint and be posted on our website. He reported we are a late adopter of this technology and we're trying to do what's right for our customers.

Commissioner Rick commented that it's important for our customers to reach out to their commissioners.

Tom Pulford, member of public, encouraged the District to move forward on its wildfire mitigation and reported a Wildfire Preparedness Workshop will be held at the Kalispel Tribe of Indians Camas Wellness Center on March 1. He noted fire prevention tips, commended fire district volunteers, and reported it's a great opportunity to have continuous dialog with the EMT's and fire district personnel.

MANAGEMENT REPORT:

Amber Gifford, Communications:

She reported an internal March Madness Food Drive will occur March 1 - 31. Staff are broken into teams and collect non-perishable food to give to local food banks. The winning team gets to claim the basketball trophy for the year. Last time we collected a total of 3,325 pounds of food which was donated to the Newport, Cusick, and Ione Food Banks.

John Bricher, Finance Manager:

He reported Moss Adams auditors has been conducting a field work audit since last week and this week they are in the office. The audit is moving along and they commended the District for providing documents to them in a timely manner.

He reported the 2024 Annual Report will be ready by the month of April or May.

Discussion was held regarding Commissioner Rick's scheduled meeting with Moss Adams.

Suzie Wrbelis, Director of Human Resources:

She provided staffing updates and reported we have filled the Journeyman Tree Trimmer position. Candidate interviews for the Vegetation Management Supervisor position will

be conducted in a couple of weeks. Candidate interviews for the Warehouseman position will be scheduled next week. Both the North County Lineman and South County Lineman positions have been filled. Katie Pfitzer, District HR Generalist was promoted to the Safety Manager position. Madie Groom, District Operations Specialist was awarded the Contracts Administrator position and this created an Operations Specialist job position opening. Megan Malone, District Accounts Payable Analyst was awarded the HR Generalist position and we are taking applications for the open Accounts Payable Analyst position.

Sarah Holderman, Director of Customer Services:

She provided a Broadband Equity Access and Deployment Grant update and reported there are 236 project areas, the state received 307 applications, there is \$1.2B dollars to award, and the application amounts totaled \$6B dollars and she's not sure how the state will handle. We will hear the awards this summer and Round 2 will begin after the Round 1 awards are announced. Discussion was held.

Following a short recess, the meeting resumed.

PUBLIC HEARING – PROPOSED ELECTRIC SYSTEM RATE AND FEE ADJUSTMENTS:

Pursuant to notice given to the Newport Miner, a Public Hearing to discuss the Proposed Electric System Rate and Fee Adjustments was held at 9:30 a.m. There were approximately 20 members of the public in attendance.

April Owen, District Director of Finance, reported the Board has the authority to set rates and the public and staff have a chance to comment. She reported we have received public comments electronically which have been compiled and provided to the Board and are being updated as received and provided to the Board. Adoption is scheduled for the March 4 Board meeting.

She reported a customer survey was conducted by Strategies 360 which showed that customers prefer smaller, regular rate increases. She provided a presentation and explained the rate increase rationale which includes a 3% inflation rate, upcoming increased power costs which are expected to increase by \$4.5M in 2030, our cash balance with anticipated spending of \$45M over the next 10 years for substations and aging infrastructure. She reviewed revenue adjustment and reported staff is recommending a 4.25% adjustment which is an average \$5.43 monthly cost increase to the average residential customer. She provided an electric rates summary for residential, commercial, and industrial customers. Discussion was held.

Commissioner Rick noted the public hearing format and asked if the public or staff had any comments.

Steve Crawford, member of the public, commented that the public needs to hear questions and answers. He doesn't use a computer and wasn't aware of the customer survey and has lived here for 25 years and has never had District staff come to his home and ask him questions. He lives close to the Bare Mountain Substation site and wants to know why we are doing this now when we have never done any work at the site before. He inquired that if the 4.25% rate increase is for the public, what is the rate increase for businesses and doesn't everyone including businesses share the increase.

Jack Whorley, member of the public, has questions but due to our format is not able to ask them at this time but will be calling the commissioners. He lives at Riverbend and reported the Riverbend Water System customers decided they are going to raise their water rates each year in small incremental increases as opposed to big increases.

Mr. Pulford commented that he needs to have a robust and cautious utility, doesn't want it to be wealthy, but needs it to look to the future.

Ms. Koenig likes to attend the meetings in person to get the facts straight from the District and commended the District staff for not kicking the can down the road and commented that we can't put off updating the aging infrastructure and wants the District staff to keep doing what it has been doing.

Lynee Barsi, member of the public, commented that staff needs to see if there are any areas to cut back on so there is not an increase.

Ms. Hale commented that she is upset because she and the public can't ask any questions.

Commissioner Rick encouraged the public to reach out to the commissioners and staff.

Ms. Owen reported the proposed 4.25% rate increase is across all the classes - residential, commercial, and industrial and we will reassess next year at this time and will provide information on our website.

Mr. Crawford commented that he thought he would be able to ask questions and get answers.

Commissioner Moody encouraged the public to contact staff and commissioners. He reported that Mr. Janney and staff have provided numerous community public meetings about our 10-Year Financial Forecast and Electric Rate Study presentations.

Commissioner Knapp commented that as a customer, he is thankful to be a part of public power and we're a not-for-profit utility. He explained our line extension process and costs and reported that each year our costs increase for supplies, power poles, wire, and transformers and that we need to collect those costs from our customers. We need to cover our costs and inflation has affected everyone including us. He noted the long lead times to get materials.

Mr. Crawford noted the inflation over the last few years and suggested giving the new administration time to do what they say they're going to do.

The public hearing ended at 10:22 a.m.

COMMISSION REPORT:

Commissioner Moody attended the Special Board meetings on February 10 in Newport and February 12 virtually, the WPUDA meetings and training sessions on February 12 – 14 in Olympia and provided an overview.

Commissioner Knapp attended the Special Board meetings on February 10 in Newport and February 12 virtually, the WPUDA meetings on February 12 – 14 virtually and provided an overview. He attended an Energy Northwest State Auditor's Entrance meeting and Energy Northwest meetings on February 3 - 6 in Tri-Cities.

Commissioner Rick attended a Washington State Legislative Update Call on February 6 and provided an overview. He attended the Special Board meetings on February 10 in Newport and February 12 virtually, and the WPUDA meetings on February 12 – 14 in Olympia and provided an overview.

COMMISSION BUSINESS:

Commissioner Moody will attend a Pend Oreille County Historical Society meeting tomorrow in Newport.

Commissioner Rick will attend a WPUDA/American Public Power Association Legislative Rally on February 24 – 26 in Washington, D.C.

- Pre-Approval of Commissioner Travel or Meeting Attendance for March.
Discussion was held. A motion was made by Commissioner Moody and seconded

by Commissioner Knapp to approve the Commissioner Travel or Meeting Attendance for March as amended. The motion passed unanimously.

Commissioner Rick announced that a 4-hour executive session to review the qualifications of candidates for public employment will begin at 10:45 a.m. in the Riverbend Conference Room. If the executive session needs to be extended he will rejoin the open session to publicly announce an extension. No final action will be taken during the executive session. Following the executive session, he and the Board will rejoin the open session to take any action or to adjourn the meeting.

He asked if there was any other business for the good of the order. There was none. He reported the next meeting is March 4, 2025, starting at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams.

EXECUTIVE SESSION – REVIEW THE QUALIFICATIONS OF CANDIDATES FOR PUBLIC EMPLOYMENT:

A 4-hour executive session to review the qualifications of candidates for public employment commenced at 10:45 a.m. The following were in attendance: Board of Commissioners; Suzie Wrbelis, Director of Human Resources; Tyler Whitney, Cable Huston, LLP, virtually; and candidates for public employment. At 2:10 p.m., Commissioner Rick reported the executive session would be extended until 5:00 p.m. At 4:53 p.m., Commissioner Rick reported the executive session would be extended until 6:00 p.m. At 5:59 p.m., Commissioner Rick reported the executive session would be extended until 6:30 p.m. The executive session ended at 6:27 p.m. and the Board returned to open session. No final action was taken during the executive session.

ACTION ITEM:

- Amendment to February 18, 2025 Board Agenda and Resolution No. 1495 – Appointing an Interim General Manager and Establishing Salary. A motion was made by Commissioner Moody and seconded by Commissioner Knapp to amend the February 18, 2025 Board Agenda to add Resolution No. 1495 Appointing an Interim General Manager and Establishing Salary, and to approve such resolution. Commissioner Rick reported a job position offer was made to Chris Jones, District Director of Operations. Mr. Jones accepted the offer which will be effective February 27, 2025. Commissioner Rick read the language of the resolution and described the compensation for the Interim General Manager. The Board will confirm the final language of the resolution at the March 4, 2025 Board meeting. The motion passed unanimously.

Commissioner Rick reported the next meeting is March 4, 2025, starting at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams. He adjourned the meeting at 6:30 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form