

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
December 20, 2022
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

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

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

Others: Dave Rick, Commissioner-elect
Don Gronning, Newport Miner, virtual
Keith and Lena Martin, Members of the Public, virtual
Monty Stahl, COO, Merkle Standard, virtual
Gretchen Koenig, Member of the Public

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

CONSENT AGENDA:

The minutes from the December 6, 2022 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, December 20, 2022, the Board, upon motion by Commissioner Larson and seconded by Commissioner Knapp approved the following:

- The revised agenda for December 20, 2022, and the minutes of the December 6, 2022 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. 7603 through 7645 in the total amount of \$85,417.59; ACH payments in the total amount of \$2,520,931.08; Wire Transfers in the total amount of \$464,303.33; and ACH payroll transactions in the total amount of \$256,382.23 for the payroll ending November 30, 2022.

The motion passed unanimously.

Commissioner Knapp announced a 90-minute executive session for an annual performance evaluation of an individual employee to be held upstairs in the Riverbend Conference Room. No final action will be taken during the executive session. Following this executive session he and the Board will rejoin the open session for business from the public.

EXECUTIVE SESSION – ANNUAL PERFORMANCE EVALUATION OF AN INDIVIDUAL EMPLOYEE:

A 90-minute executive session on an annual performance evaluation of an individual employee commenced at 8:40 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager. At 9:40 a.m., Tyler Whitney, General Counsel; April Owen, District Director of Finance; and Sarah Holderman, District Director of Customer Services, joined the executive session. The executive session adjourned at 9:58 a.m. The Board returned to open session. No final action was taken during the executive session.

Commissioner Knapp announced that Colin Willenbrock, District General Manager, is resigning from the District and the Board is accepting his resignation. He thanked Mr. Willenbrock for his service with the District and noted there is a great staff at the District.

Mr. Willenbrock reported he accepted a position at Snohomish PUD. He recommended the Board appoint Ms. Owen and Ms. Holderman as Co-Interim General Managers until a new general manager is hired. He thanked staff for being great to work with and he has enjoyed every minute of working at the District. His last day is February 8. He will have a management staff meeting following today's Board meeting. He seconded Commissioner Knapp's sentiments that the PUD is in great shape due to the great staff we have and he thanked everyone for their support.

Commissioner Knapp commented that this is a great opportunity for Mr. Willenbrock and reported that a press release will go out today.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Keith Martin, member of the public, reported he and his wife, Lena, are north county ratepayers. He thanked Mr. Willenbrock for fighting all of the District's battles and he hopes his replacement is as great a general manager as Mr. Willenbrock. Mr. Willenbrock thanked Mr. Martin for his kind words and support. Mr. Martin reported that he and his wife lost their Regal boat on September 29 when the unit 4 turbine-generator had a mechanical failure and the river needed to be drawn down. Their boat was in the water and they tried to get it out of the water but couldn't and it was a total loss. They have found a replacement boat in Georgia and will submit a damage claim to the District. He asked for the Board's and staff's consideration and he appreciated the Board's time today. Commissioner Larson thanked Mr. Martin for his great manner in presenting to the Board and that staff will work with them on their damage claim. Commissioner Knapp thanked them for attending today.

Dave Rick, Commissioner-elect, congratulated Mr. Willenbrock on his new job and wished him well.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported on cold weather injuries which include frost bite and hypothermia and the ways to avoid them.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, shared customer kudos to our crews and employees related to a county-wide snowstorm during December 7 – 10. They thanked crews and employees for their hard work and long hours to restore the power. She reported there were also positive comments and great community support for our outage restoration efforts on Facebook.

She reported the 2023 PUD Calendars have arrived and are available.

ACTION ITEMS:

- Resolution No. 1469 – 2023 Electric System Rates. Mr. Willenbrock reported Ms. Holderman and staff provided the Board's requested information. Discussion was held. A motion was made by Commissioner Knapp to keep the rates the same and stable as the current rates. Commissioner Larson made a motion to keep the current rates the same for next year. Commissioner Knapp rescinded his motion and seconded Commissioner Larson's motion. Discussion was held. No resolution is needed with no change to the current rates. The motion passed. Commissioner Onley was opposed.

- Early Closing of Business, December 23, 2022. Commissioner Knapp explained that historically each year as a thank you to staff for their good work throughout the year, the Board has approved an early closing of business on Christmas Eve. This year Christmas Eve falls on a Saturday. A motion was made by Commissioner Onley and seconded by Commissioner Larson to have an early close of business on December 23 at 2:00 p.m. The motion passed unanimously.
- Resolution No. 1471 – 2023 Board Meeting Calendar. Karen Willner, Clerk of the Board, had provided a draft 2023 meeting calendar to the Board. Mr. Willenbrock reviewed the schedule. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to adopt the resolution with the strike out dates, as presented. The motion passed unanimously.
- District Organization Representation for 2023. Commissioner Onley suggested to table this item until the January 17 meeting. Commissioner Larson noted the January Washington Public Utility Districts Association (WPUA) meetings on January 11 - 13. Discussion was held. Commissioner Onley recommended adding the Broadband Action Team committee meetings to the list. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the District organization representation for 2023, as amended. The motion passed unanimously.
- Resolution No. 1472 – Reimbursement of Travel Expenses for Job Candidate. Mr. Willenbrock reported we have some good qualified candidates for the Energy Resources Manager job position and need to do in-person interviews. This resolution is to reimburse qualifying travel expenses. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the resolution. Discussion was held. The motion passed unanimously.
- Cost of Living Adjustment (COLA). Mr. Willenbrock provided an overview of the wages across the board and for the cost of inflation. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley for a 3% COLA for all non-union staff effective January 1, 2023. The motion passed unanimously.
- Resolution No. 1473 – Recognition of Honorable and Dedicated Service of Commissioner Richard A. Larson. Commissioner Knapp read the resolution. A motion was made by Commissioner Onley and seconded by Commissioner Knapp to approve and adopt the resolution. The motion passed unanimously. Commissioner Knapp inquired what was most memorable for Commissioner Larson. Commissioner Larson reported he will always remember that line work has treated him well. Mr. Willenbrock reported the Northwest Open Access Network (NoaNet) honored Commissioner Larson for his service. He noted the Broadband Technology Opportunities Program project and that Commissioner Larson has been an advocate for the north end. He cared and got involved for the right reasons. Commissioner Knapp thanked Commissioner Larson for his service and for being an advocate for the north end. Commissioner Larson thanked everyone for their comments and reported that Dave Rick, Commissioner-elect, will do a great job.

MANAGEMENT REPORT:

Colin Willenbrock, General Manager:

He thanked the Board for approving an early release on December 23 and he thanked staff for all their hard work this year.

He reported we received a notice from the Town of Cusick that they will be moving forward on their own for operating their water treatment plant and our agreement with the Town has terminated. We wish them the best.

He, Commissioner Larson, and Ms. Holderman attended a NoaNet Board meeting last week in Spokane. He provided an overview and reported NoaNet approved its budget for 2023. They are trying to tackle their unfunded pension liability issue, have been accelerating their payments, and have been looking at joining PERS. There is on-going discussion on how to fund the transition. Discussion was held. Joining PERS would eliminate the pension fund.

April Owen, Director of Finance:

She reported that finance staff is working through the audit and have wrapped up the Department of Revenue and Washington State audits and the field work is done. They had an interim audit with Moss Adams and they will be back at the District in February for field work.

She reviewed the December financials and reported it will be cold this week. She showed a Cascade load versus a general service load graph and reported that most of the general service load has been above the Shell Energy average load. She showed and explained a Box Canyon load graph variability due to Albeni Falls Dam water fluctuations. She reported Cascade has been running at 67 MW load and has been steady. They will be at 55 MW in January. She reported we sold 25 MW in light load for January.

Sarah Holderman, Director of Customer Services:

She reported bond payments are due on January 3 and we received the interest subsidy on the 2012 Box Canyon bonds.

She reported that Zply bought iFiber which is a local retail service provider. Their plan is to continue to operate under the iFiber name.

Amber Gifford, Customer Service & Contracts Manager:

She congratulated Shannon Johnston, District Customer Service Representative (CSR) I, on being awarded the Communications & Utility Services Coordinator job position. The District is seeking a CSR I position to backfill her role. She reported Madie Groom, District Administrative Assistant, Operations/CSR III has moved over to the Newport Administration Building. She reported Lillian Hughes, District Summer Student Helper, is back with the CSR team over winter break.

Mark Scott, Water Systems Manager:

He and staff are starting the transition of turning over the water operator keys to the Town of Cusick on December 31.

He and staff are working on the communication plan for the Metaline Falls pipe replacement project which will start in the spring.

He received the Newport RV Park site plans back from the City of Newport.

Philip Roice, Engineering Manager:

He and staff are reviewing and testing the results for the Box Canyon Substation. Generator testing for units 1 and 2 is done.

He reported staff has started building the Seattle City Light (SCL) transmission line out to the hatchery.

He reported staff is finishing up maintenance for this year.

Mr. Willenbrock reported we terminated our agreement with Palouse Power, LLC for the SCL hatchery project.

Adam Wiltse, Safety Manager:

He is doing a re-certification for CPR/First Aid standards and new standards have come out.

He had an interview with Labor & Industries (L&I) and is closing the file on when the lineman was struck by a tree. L&I made recommendations on our operations documentation.

He is doing end-of-year employee training certificates. Mr. Willenbrock thanked Kevin Conway, District Director of Utility Services, and Chris Jones, District Director of Operations, and his team for doing the interviews with L&I in light of Mr. Wiltse's absence.

Chris Jones, Director of Operations:

He reported the electric system is operating well. There is cold weather coming and explained if we have an outage it is harder to get the system back on. The cold snap will be short and warm temperatures are predicted for next week.

He reported crews are working on the SCL line. He commended Mr. Roice and his team on getting it designed and working great with the linemen. The line crew is excited to do the project this winter.

He reported on a pole and line teardown at Vaagens and reported a Vaagens employee was using a large dump truck for hauling chips. The employee dumped the chips but didn't drop the bed so it broke five poles – four of ours and one telephone pole. He reported it took crews a while to get the feed rebuilt and restored. The telephone company spent days repairing its fiber line.

He provided an update on the Selkirk line rebuild and reported the hillside is too dangerous to have the crew work on. We will be able to work on it when the temperatures warm up and the ice is better, hoping the first week of February. Discussion was held regarding the cold temperatures, wind chill factor, and working in these conditions.

Suzie Wrbelis, Director of Human Resources:

She is working on job position recruiting for an Energy Resources Manager for power supply, a GIS Technician for engineering, and a CSR I.

She reported year-end employee evaluations will be done in January.

She reported the winner for the District's Ugly Sweater contest was Frank Pisano, District Network Supervisor.

She reported we are getting a new timekeeping module in NISC and training for employees is coming.

She reported we will have a new leave management program coming in April.

Kevin Conway, Director of Utility Services:

He and staff are finishing up the Federal Energy Regulatory Commission (FERC) end-of-year reports.

He is invited to participate with the Washington State Department of Commerce to discuss our emergency management coordination with FERC, the North American Electric Reliability Corporation (NERC), and the Department of Emergency Management. The Department of Commerce sent out a notice last week requesting notification on security events. He is working with local and state law enforcement on potential security threats.

He reported on a compliance-related definition of “control center” and how NERC has gradually been changing the definition as it applies to cyber security. We participated in a field trial to help define and determine thresholds regarding the impact classifications of a control center. Since 2018 we have assigned Transmission Operator duties to the Bonneville Power Administration (BPA). This allowed us to drop our classification of control center to a low impact. New interpretations and current events will impact us by requiring additional protections of cyber systems and facilities in the future.

He attended a meeting last week on the North Carolina substation outage events and is waiting for a NERC alert or new standard to be issued on security measures.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He reported staff is doing the last items on fiber mapping and connectivity is at 95% and phase 2 is coming along.

He and staff are busy placing firewalls at the District.

He reported Nik Reed, District Broadband System Network Administrator, is involved with a Washington State Broadband Office Broadband Infrastructure-ARPA Capital Grant and we are hoping to see a positive award for the District.

He and staff are assisting the Human Resources staff with a new NISC timesheet module.

Bryant Kramer, Director of Power Production:

He is evaluating possible candidates to inspect the rotor and reported it is a specialized skill and we need an expert. He is looking at a January timeframe.

He has possible candidates for doing the governor upgrades and is doing valve upgrade evaluations. The crew is looking at a pump that allows the wicket gates to be manually shut down during an emergency.

He reported the crew is finished with the Trimble Creek Slough pump and are doing snow removal and winterizations.

He and staff are doing year-end reports and planning for the 2023 capital projects.

Tyler Whitney, General Counsel:

He provided an update regarding the District’s total dissolved gas (TDG) program under our Box Canyon License. The first 10-year period has passed and we are working with the Department of Ecology on options to further reduce TDG. Scott Jungblom, District Natural Resources Manager, is putting together an internal team of subject matter experts who will work with Ecology, SCL, and Albeni Falls Dam staff on alternatives.

He reported Energy Northwest put together an option to participate in a grant writing assistance opportunity and provided the details.

COMMISSION REPORT:

Commissioner Knapp attended the Energy Northwest meetings on December 13 – 15 in Tri-Cities and provided an overview. He met with Commissioner-elect Rick on Friday and met with Mr. Willenbrock on Monday. He had conversations with customers who wanted information on the BPA study for Cascade.

Commissioner Larson attended a NoaNet Board meeting on December 14 in Spokane.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for February. Commissioner Knapp will attend the PUD Board meeting on February 7 in

Newport, the Public Power Council (PPC) and Pacific Northwest Utilities Conference Commission (PNUCC) meetings on February 1 – 3 in Portland, and the WPUDA meetings on February 15 – 17 in Olympia. Commissioner-elect Dave Rick will attend the PUD Board meeting on February 7 in Newport, the WPUDA meetings on February 15 – 17 in Olympia, and a Tri-County Economic Development District meeting on February 22 in Colville.

A motion was made by Commissioner Larson and seconded by Commissioner Knapp to approve Commissioner Knapp's and Commissioner-elect Rick's February schedule as presented. The motion passed unanimously. Commissioner Onley did not provide a February schedule for approval.

Discussion was held regarding the February PPC and PNUCC meetings.

Commissioner-elect Rick will attend the Swearing In Ceremony for elected officials. Ms. Willner will get and provide the information to Commissioner-elect Rick.

Commissioner Knapp announced a 30-minute working lunch to begin at 12:00 p.m. Following the lunch, he will adjourn the meeting.

Commissioner Knapp reported the next meeting is January 17, 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 12:43 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form