

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
July 20, 2021
HYBRID MEETING – NEWPORT CONFERENCE ROOM, NEWPORT, WA
& 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

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

CONSENT AGENDA:

The minutes from the June 29, 2021 meeting, the July 13, 2021 meeting and today's agenda were reviewed.

As of this date, July 20, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The agenda for July 20, 2021, the minutes of the June 29, 2021 meeting, and the minutes of the July 13, 2021 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. 5879 through 5899 in the total amount of \$82,731.72; ACH payments in the total amount of \$431,704.88; and Wire Transfers in the total amount of \$14,912.00.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. The commissioners did not have any topics for discussion.

Chris Jones, District Director, Operations reported crews are doing a lot of line extensions. He is waiting on the customer side to get their inspections done and reported the state is back logged.

He provided an outage update and reported there have been no major storm-related incidents only lots of little outages due to the breakers being on one shot. There are no major fires in our area but a red flag warning has been issued for today through Wednesday for the potential of thunderstorms and lightning. Discussion was held regarding one shot and breakers.

He reported crews are getting rid of grounded cut-out racks and are replacing them with fiberglass racks to insulate and lessen outages. There is a scheduled outage this weekend with Vaagens for installing switches on underground get-a-ways and corner grounded delta banks and to rebuild the bank and metering in their building.

He reported warehouse lead times are extreme on everything. The ordering materials process has been started and for example, padmount transformers are 50 weeks out. Now

there are shortages on plastic which includes water bottles. We can't get bottled water but we have alternate plans in place so it's not a big issue.

He reported we currently have three apprentices. Rod Schoener, District Lineman Apprentice passed his journeyman test last week and will be a journeyman lineman on September 1. Chris Mitchell, District Tree Trimmer Apprentice will be testing in August and once he passes, he will be a Journeyman Tree Trimmer. Bronson Gerstenberger, District Lineman Apprentice is working on getting his credits to become able to take the journeyman test. Discussion was held regarding the crew count.

He reported there was a ground fault at Skookum Rendezvous about two weeks ago and they will be replacing the line. He is blessed to work with such a great crew and commended them for being great at their jobs and for keeping our county with reliable power.

Colin Willenbrock, District General Manager reported that per Commissioner Larson's request, we will discuss our status with the Economic Development Council (EDC) prior to tomorrow's EDC meeting. He reported that we have been a member of EDC for a long time and the mission has always been on how we can make Pend Oreille County better. Commissioner Ric Larson is our current representative for EDC. Discussion was held.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager provided information on the Emergency Rule WAC 296-62-085 regarding wildfire prevention and related employee safety requirements. He explained the requirements details. He reported on the region's air quality index where 151 is the threshold for the mandatory requirement. The state has issued this emergency rule.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning reported the Board approved a water policy change for combining water lots and customer letters were mailed out last Thursday with help from Karen Willner, Clerk of the Board.

She reported staff is busy processing statements this week since we are down to one billing cycle. She thanked Leif Jungblom, District Summer Student Helper for his help in processing all the customer payments.

COMMISSION REPORT:

Commissioner Onley attended the Washington Public Utility Districts Association (WPUDA) meetings at the Skamania Lodge on July 14 – 16 and provided an overview. He chaired the Telecom Committee meeting and provided an overview. He commended Mr. Willenbrock and the Community Network System (CNS) staff for getting wireless hotspots set up before the COVID-19 pandemic.

Commissioner Knapp spoke with a customer regarding the low water flows in the river and he provided a run of the river overview to the customer. He spoke with Todd Behrend regarding the former PNC site. He attended the WPUDA meetings at the Skamania Lodge on July 14 – 16 and provided an overview. He commended April Owen, District Director, Audit, Financial & Power Supply for her presentation during the budget session.

BUSINESS FROM THE PUBLIC:

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

Gretchen Koenig, member of the public inquired about the low river flows and Box Canyon Dam generation. Mr. Whitney reported the flows are currently about 14,000 cfs and we are generating 48MW. There was no shutdown to the dam which normally happens during high flows.

Ms. Koenig inquired if there would be any electric rationing. Mr. Willenbrock reported no electric rationing would happen. She inquired on what other sources, including solar and thermal the PUD is looking at besides hydro generation. Mr. Willenbrock reported the District is surplus hydroelectric power and would not be spending ratepayer dollars on new generation resources at this time.

Following a 5-minute break, the meeting resumed.

COMMISSION BUSINESS:

- Pre-Approval of Commission Travel or Meeting Attendance.

Commissioner Knapp will attend the Board meetings on August 3 and 17 in Newport and August 31 at Box Canyon; a virtual Northwest Open Access Network (NoaNet) Board meeting on August 11, if needed; a virtual Broadband Action Team meeting on August 12; and an Energy Northwest Strategic Planning meeting on August 24 – 27 in Tri-Cities.

Commissioner Larson will attend the Board meetings on August 3 and 17 in Newport and August 31 at Box Canyon, a virtual NoaNet Board meeting on August 11, a virtual Broadband Action Team meeting on August 12, a virtual EDC meeting on August 18, and a virtual Tri-County Economic Development District meeting on August 25.

Commissioner Onley will attend the Board meetings on August 3 and 17 in Newport and August 31 at Box Canyon, a virtual NoaNet Board meeting on August 11, a virtual Broadband Action Team meeting on August 12, and a virtual Greater Newport Area Chamber of Commerce meeting on August 3.

A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the Commissioner's August travel and meeting attendance. The motion passed unanimously.

ACTION ITEMS:

- Employee Safety Day Office Closure and Early Release. Amber Gifford, District Communications, Contracts & Conservation Manager reported the all Employee Safety Day is scheduled for September 2 at the Kalispel Tribe of Indians Camas Wellness Center from 10:00 a.m. – 1:00 p.m. with lunch, employee safety and core value awards, and a safety presentation. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the Employee Safety Day office closure and early release. The motion passed unanimously.
- Unbudgeted Request – CNS Map. Ms. Holderman reported we have been waiting to finish the mapping. We went out to bid earlier this year to determine an accurate cost. We planned on budgeting it in 2021 but due to Robert Fritz's departure we are moving the request up. It is a 6-month project and will come out of the CNS budget for this year and next year. Discussion was held. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the unbudgeted request in the total amount of \$125,000. The motion passed unanimously.

MANAGEMENT REPORT:

Colin Willenbrock, General Manager:

He commended Ms. Gifford for her work in distributing the revised strategic plan and putting it on our website. It will be our guiding document for the next 5 years and it is a good document to reference.

He asked Bob Pebles, District Information Technology (IT) Manager/CIP Senior Manager to introduce new employee, Kevin Persyn, District IT SCADA Technician. Mr.

Pebles introduced Mr. Persyn and reported he is working to update our SCADA System with the AMI interface. The Board welcomed Mr. Persyn to the District. Mr. Persyn provided his background. Mr. Willenbrock reported he is a local Newport graduate and commended him for his can-do attitude and for his knowledge he has brought to the District.

Mr. Willenbrock asked David Hodder, District Engineering Manager to introduce Steven Metzger, Temporary Project Engineer. Mr. Hodder introduced Mr. Metzger and provided his background and the projects he is working on. Mr. Metzger reported he is a local Newport graduate and is working on the Blue Moon project at the former PNC site and is working with contractors for project bid amounts and learning the District's MapWise system. The Board welcomed him to the District.

April Owen, Director, Audit, Finance & Power Supply:

She provided a power supply update and reported staff has seen variable pricing in June and July, as much as \$100-145. Today's pricing low is \$30 per MW and the high is \$95 per MW with tomorrow's pricing low at \$30 per MW and a high of \$45 per MW.

She provided a finance update and reported they are wrapping up with the state auditors on the District's audit. She will schedule an exit conference with the state auditor's office. She commended John Bricher, District Finance Manager for doing a lot of the audit work and for continuing to do a great job.

John Bricher, Finance Manager:

After wrapping up the financial audit with Moss Adams and the state accountability audit, he completed the annual state reporting and energy assistance grant reporting. He is currently working on the June financial statements, the annual unclaimed property reporting, and the second quarter payroll reporting. He is working with National Information Solutions Cooperative, the District's accounting software vendor, on potential process improvements for check payments and bank reconciliations. Discussion was held regarding the virtual versus in-person audit process.

David Hodder, Engineering Manager:

He provided an engineering update and reported they are working on upgrading our system and looking at how to pick up the load if we lose a substation. They are looking at doing a McCloud Creek line rebuild and a Diamond Lake line replacement feed from Diamond Lake to Bonneville Power Administration (BPA). They are doing repairs at substations and gates. They are working on high density loads expansion and will need reliability items to accommodate those loads and will need to upgrade the transformers. They are putting together the OPGW rebuild plan. They are working on a distribution reclosers change outs project. They are waiting for the Allrise agreements and are ready to start the review process when they get those agreements and have been in contact with BPA. They are doing regular staking and maintenance and have redesigned and will rebuild the Safeway feeder. Discussion was held.

Kevin Conway, Director, Compliance, Safety, Engineering & Technology:

He reported the system operators have been tracking fires in our location. He showed a U.S. Forest Service map of fire locations and reported there was a fire at Sullivan Lake which has been put out. There have been a few fires in a few days. He showed a Western Electricity Coordination Council map of fire locations and their effect on transmission lines. So far, we haven't been directly affected by any fires.

He reported on the North American Electric Reliability Commission physical and cyber security changes.

He reported on a Northwest Power Pool (NWPP) resource adequacy program related to the stressed transmission system for supplying power. NWPP put the program together

for the resource pool to see how much generation is put aside for those events. They will need us to help make this program work. We are not directly participating right now.

He reported Ray Chantry, District Hydro Operator is moving to a System Operator Trainee position beginning on August 2.

Bob Pebles, IT Manager/CIP Senior Manager:

He provided an IT update and reported staff is doing work with the engineering department and have reached a point where the meters have been completed and now they are working into the SCADA system. He reported that on the Pi side, staff has taken on a new project for streamlining power supply. He reported there have been a lot of ransomware attacks and we have done enhancements to our system to address any vulnerabilities. We continue to monitor our system for any security events. He showed a dashboard of what potential attacks could be happening on our system. He commended Rob Forbes, District System & Network Operations Technician for putting these systems together.

Bryant Kramer, Power Production Manager:

He reported this is his first week as the Power Production Manager and he has been busy and has received a lot of support from staff and is talking with the crew to get updated.

He provided a production update and reported the river level is down due to the drought. The maintenance crew is fabricating handrails and decking for the fish ladder and doing a lot of work on the trash rake and taking logs off the bottom. Ground maintenance with the sprinklers is being done. The roving operators are doing checks on the Calispell Valley. The hydro operators are working with Mr. Conway on the Calispell Dike which is looking good. He reported they will miss Mr. Chantry as a hydro operator but are happy for him in his new job role.

Scott Jungblom, Natural Resources Manager:

He reported the fish ladder rail pipes repair went well and they had a preliminary inspection and found a few patches that needed trimming. He reported progress is being made on the punch list including the hand rails and underground electric work.

He reported the stream work surveys on Winchester Creek and Smalle Creek will begin. Crews are doing fencing maintenance.

He reported the aquatic weeds have been a problem this year. People are calling and we are giving them a plan to deal with the weeds. The aquatic weeds workshop is this Friday at the Kalispell Tribe of Indians Casino in Cusick.

He reported there is contracted work for grass treatment at Campbell Park.

He reported Seattle City Light is doing the last section of the log jam work at the lower dam at Sullivan and have asked for an extra week to finish this work.

Mark Scott, Water Systems Manager:

He reported the watermen repaired another leak on Rachel Road and they had help from the line crew.

He reported the asphalt patching at the end of Lehigh Road has been completed.

He is keeping an eye on the Greenridge Water System and has asked customers to limit their water usage. All the water systems have had record high water usage.

He reported the sanitary surveys at the Riverbend Water System passed and a small issue was found and fixed at the Riverview Water System. The Department of Health made good comments on the work the District does.

Tyler Whitney, General Counsel & Assistant General Manager:

He is working with Allrise on the agreements and received the signed cost reimbursement agreement over the weekend and crews are ready to move forward with the work that Mr. Hodder mentioned earlier. He is continuing to work with them on the electric system agreement for the maintenance power. They have asked for an additional 2MW of power at the Blue Moon site and we are working with them and a third party to source that power.

He reported we had budgeted for some asphalt work at the Box Canyon fish passage site. He commended Mr. Scott for doing a great job in working with the contractors at the boat launch and at the gate.

Sarah Holderman, Director, Treasury, Broadband & Strategic Planning:

She reported we have finalized the child care grant feasibility study and she submitted it to the Department of Commerce.

She reported the customer water letters were mailed out and thanked Ms. Willner for her help.

She thanked the Board for approving the CNS mapping request. She reported the budget season kickoff will be in October with the budget process going through the end of the year.

She reported the Public Works Trust Board opened another round of broadband grant funding and we will submit an application for getting broadband to north Pend Oreille County and will use a NoaNet grant writer to help with this process.

She reported the Metaline Falls Water System quarterly reports sending will resume at the request of the Town of Metaline Falls.

She provided a CNS update and reported we have 45 - 50 fiber extensions and have partnered with a dock crew to begin on August 16 to help get those extensions completed. She reported Dario Nila, District CNS System Specialist has accepted the CNS Supervisor/Network Specialist role in the department given Robert Fritz's departure. The District had opened an entry level fiber staking field engineer position and had one applicant. That applicant was interviewed yesterday and Lauren Naccarato, District Meter Reader was awarded and has accepted that job position and will begin on August 1.

Discussion was held regarding the letter mailed to the ISPs for a broadband grant in north Pend Oreille County. Ms. Holderman thanked Ms. Willner for helping with the letters.

Mr. Willenbrock provided an update on the child care grant. Discussion was held.

Mr. Willenbrock congratulated Mr. Nila on his new role.

Adam Wiltse, Safety Manager:

He has been working on the updated COVID-19 emergency rules and in being compliant with the new requirements. He is finishing the update to our COVID plan to reflect our current phase.

He is working with Mr. Kramer on the fish ladder.

He reported the smoke concern in the area is taking up a lot of his time.

Suzie Thompson, Human Resources Manager:

She is busy with recruiting for internal job postings.

She reported Destini Parker, District Payroll/Benefits Coordinator is busy with payroll audit items and the long-term care insurance state requirement.

She reported Rich Dickman, Senior Client Consultant HRAs & VEBA's at Arthur J. Gallagher and Company was here to give an HRA and VEBA plan presentation.

Mr. Willenbrock reported Ms. Thompson is helping employees with their résumé and is instrumental in helping guide employees on their future career endeavors. She assembles the hiring interview committee. He reported Ms. Parker is a big part of this process too.

Amber Gifford, Communications, Contracts & Conservation Manager:

She provided a communications update and reported the spring into action enrollment campaign for SmartHub, Auto Pay, E-Newsletter, Paperless and Operation Round Up was successful and the District saw a good increase in the number of customers signing up.

She is gearing up for the Pend Oreille County Fair which is August 19 – 22 and is working on our fair booth. She is working with Mr. Jones to gather items for our booth and for taking pictures.

She kicked off an employee summer safety contest to promote safety at work and home and is looking for pictures that show the employees and their families commitment to safety at home. Entries need to be submitted by August 25 and the Safety Committee will draw the winners.

Commissioner Knapp announced a 60-minute executive session on pending and/or potential litigation will begin at 11:45 a.m. Following the executive session, he will rejoin this meeting to adjourn. The next Board meeting is August 3 in Newport.

Following a 5-minute recess, the meeting resumed.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 11:45 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 12:40 p.m. The Board returned to open session. No final action was taken.

There being no further discussion to come before the Board, the meeting adjourned at 12:41 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form