

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
May 3, 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: Monty Stahl, CEO of Merkle Standard
Steve Wood, CFO of Merkle Standard
Dave Rick, Member of the Public
Gretchen Koenig, Member of the Public

The meeting was called to order at 8:32 a.m. by Curtis J. Knapp, President.

A roll call was taken.

CONSENT AGENDA:

The minutes from the April 26, 2022 meeting, today's agenda, and the vouchers were reviewed. Commissioner Onley suggested an addition to the minutes.

As of this date, May 3, 2022, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The agenda for May 3, 2022 and the revised minutes of the April 26, 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. 6868 through 6884 in the total amount of \$38,977.88; ACH payments in the total amount of \$159,107.09; and Wire Transfers in the total amount of \$230,169.37.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Knapp requested an executive session for a semi-annual general manager job performance review at the May 17 meeting.

Colin Willenbrock, District General Manager provided an update regarding the pending request from the Town of Cusick. He reported the town's operator resigned and we received a formal request from the town council for the PUD to operate their water treatment plant and water distribution system. He provided an overview and asked for the Board's direction. Discussion was held. Mark Scott, District Water Systems Manager provided funding options. Mr. Willenbrock will proceed per the Board's general direction.

He reported April Owen, District Director of Finance is working on the April financials and the District is in a good financial situation for revenue and budget forecast to actual.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported the focus for May is CPR and first aid employee certifications. Discussion was held.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager reported May 31 is National Dam Safety Awareness Day. The Customer Connect newsletter for this month provides dam safety tips.

COMMISSION REPORT:

Commissioner Knapp had conversations with customers regarding a Merkle Standard update. He attended the Energy Northwest meetings in Tri-Cities last week and provided an overview. He has been appointed to an Energy Northwest executive board.

Commissioner Larson congratulated Commissioner Knapp on his Energy Northwest appointment. He did not have anything to report since the April 26 meeting.

Commissioner Onley congratulated Commissioner Knapp. He did not have anything to report since the April 26 meeting.

COMMISSION BUSINESS:

Commissioner Knapp does not have any PUD-related business before the next meeting.

Commissioner Larson will attend a virtual Northwest Open Access Network (NoaNet) special retail authority meeting on May 5 and a NoaNet Board meeting on May 11 in Spokane or virtually.

Commissioner Onley will attend a virtual Greater Newport Area Chamber of Commerce meeting tonight.

BUSINESS FROM THE PUBLIC:

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

Steve Wood, CFO of Merkle Standard, apologized for not getting the requested documents back to the District as promised after the last meeting and reported the documents will be given to the PUD today. He thanked the PUD Board and staff for their support.

Monty Stahl, CEO of Merkle Standard is grateful with the assistance from the PUD staff and noted their interest in this process. He reported they have 50 25kVA transformers and one transformer will feed three containers. Discussion was held. He gave an open invitation to the Board to take a tour of their plant. Mr. Willenbrock inquired about a system trip offline at the plant last week. Mr. Stahl reported they are investigating.

Dave Rick, member of the public, referenced the Town of Cusick issue and commented that given their situation, they may need to raise their rates and they need to keep their employees there.

Gretchen Koenig, member of the public, reported the hearing examiner is looking at the Conditional Use Permit (CUP) for Merkle Standard on May 12 and that there is a challenge to the State Environmental Policy Act process. She encouraged the PUD to wait and not execute the agreement with Merkle Standard until the CUP and SEPA are resolved.

Mr. Willenbrock is attending the Public Power Council and Pacific Northwest Utilities Conference Committee meetings this week in Portland and provided an overview. He will attend a virtual NoaNet special meeting regarding their survey for retail service offerings on May 5. He provided background history. Discussion was held.

Following a 5-minute recess, the meeting resumed.

BUSINESS FROM THE PUBLIC (continued):

Commissioner Knapp asked if there was any more business from the public. There was no more business from the public.

Commissioner Knapp reported the next meeting is May 17, in the Newport Conference Room, in Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 10:00 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form