

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
April 13, 2021
TELECONFERENCE ONLY

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
Jeff McCormick, Riverview Water System Customer
Chad Harris, Riverview Water System Customer

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

CONSENT AGENDA:

The minutes from the March 30, 2021 meeting and today's revised agenda were reviewed.

As of this date, April 13, 2021, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The revised agenda for April 13, 2021 and the minutes of the March 30, 2021 meeting, as amended.
- 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. 5550 through 5598 in the total amount of \$117,999.28; ACH payments in the total amount of \$389,246.99; Wire Transfers in the total amount of \$4,332.50; and ACH payroll transactions in the total amount of \$229,017.23 for the payroll ending March 31, 2021.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if Commissioners Larson or Onley had any topics for discussion. Commissioner Onley explained that Microsoft Teams is hard to work with and suggested using Zoom meeting.

Colin Willenbrock, District General Manager thanked Commissioner Onley for his suggestion on Microsoft Teams versus using another platform. He thanked Bob Pebles, District Information Technology Manager/CIP Senior Manager and his team for their assistance at the March 30 Board meeting at Box Canyon. Discussion was held.

He provided a COVID-19 update, reviewed the latest numbers and reported we continue with our COVID safety protocols.

He reported on the equipment and supplies delays and explained the need for today's unbudgeted item request to continue maintenance work on a phase angle regulator repair. David Hodder, District Engineering Manager explained how the regulator works and that due to COVID this request was pushed out until now. Discussion was held.

ACTION ITEM:

- Unbudgeted Item – Phase Angle Regulator Repair. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the unbudgeted item in the total amount of \$133,402.47. The motion passed unanimously.

Mr. Willenbrock commended Mr. Hodder and his team on managing their engineering budget.

He provided a Community Network System (CNS) technicians update and reported Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning is having a meter reader work on the fiber line extensions with the technician.

He reported line crews went to a 4/10 work schedule and will stay on this schedule through October.

He provided highlights of the Washington Public Utility Districts Association (WPUDA) legislative update calls and reported the telecom bills are moving forward, the wildfire prevention bill and wildland fire prevention bill for long-term forest health and management were approved. Discussion was held.

He will attend a Northwest Open Access Network (NoaNet) Board meeting tomorrow and reported the board has conducted preliminary interviews for the CEO job position. Craig Nelson was appointed as the Interim CEO and was interviewed.

He provided an update on the Early Learning & Child Care grant and reported it was a \$100,000 grant to study early child care needs in our community and find solutions for child care. We received the preliminary plans for locations in Newport and he provided an overview of the business plan. Discussion was held on stakeholders and employee and community needs. Commissioner Onley inquired about options for running the facility. Mr. Willenbrock explained why a private business model is probably the most cost effective way to go.

He reported our strategic planning draft is posted on our website and we will advertise an open session for public feedback on April 27. He provided an overview of the plan updates and explained this is a working plan which may need to be updated each year as our needs change.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported on a situation that occurred on April 1 where an individual was walking outside the Newport Administration building with a GoPro camera. The customer service staff approached the individual and also contacted the police. He commended and nominated the customer service staff who properly handled the situation.

He reported that James Huling, District Journeyman Lineman in Newport saw a man who was not wearing any company apparel working with our fiber cables. Mr. Huling contacted Bryant Kramer, District Senior System Operator regarding the situation and the police was also called. The man was working with a fiber company in the area. Mr. Wiltse nominated these employees for properly handling the situation.

He reported the customer service representatives and Jamie Dunn, District Administrative Assistant at Box Canyon will be taking an online safety risk assessment course.

CUSTOMER SPOTLIGHT:

Ms. Holderman reported the COVID emergency funding donation that was given by the Board last year was used up this week. We have funds remaining in our Neighbors in Need program. Governor Jay Inslee extended the customer disconnect moratorium until the end of July. Discussion was held. Commissioner Onley suggested sending a letter to past due customers.

COMMISSION REPORT:

Commissioner Knapp attended a WPUDA Legislative Update call on April 1, a conference call with the state auditor on our procedures on April 8, worked with Mr. Pebles on computer training on April 8, had lunch with Mr. Willenbrock and Tyler Whitney, District General Counsel & Assistant General Manager on April 8, and had a conversation with a customer regarding a retail service provider last week.

Commissioner Larson attended a virtual North County Chamber of Commerce meeting last night and reported they are working on a new website and with new businesses in Ione and Metaline Falls.

Commissioner Onley reported the Greater Newport Area Chamber of Commerce meeting scheduled for last night was canceled and he did not attend the virtual Broadband Action Team meeting on April 8. He inquired about the status of the county's Comprehensive Plan and who is steering the effort. Mr. Willenbrock reported some District staff have been involved and the Board reviewed the initial draft plan that is out. We haven't submitted any comments and the process has been delayed due to not being able to meet.

COMMISSION BUSINESS:

Commissioner Knapp will attend the virtual WPUDA meetings on April 14 – 16 and the Energy Northwest meetings on April 20 – 22 in the Tri-Cities.

Commissioner Larson will attend a virtual NoaNet Board meeting on April 14, the virtual WPUDA meetings on April 15, and a virtual Economic Development Council meeting on April 21.

Commissioner Onley will attend the virtual WPUDA meetings on April 14 – 16.

ACTION ITEMS (continued):

- Cyber Security Policy Review. Mr. Pebles provided the annual review updates of the policy. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the updated policy. The motion passed unanimously.

Commissioner Knapp thanked Mr. Pebles and his team for their work on updating the policy and helping to keep our District safe and compliant.

Mr. Willenbrock provided an update on the former Ponderay Newsprint Company site and reported there is a formal solicitation of bids and auction process. The PUD has been contacted by several interested parties for power pricing. Discussion was held.

BUSINESS FROM THE PUBLIC:

Jeff McCormick, Riverview Water System customer, expressed frustration with his water quality following the treatment system upgrade project. Commissioner Knapp thanked him for attending and voicing his concerns in a professional manner. Mr. Willenbrock thanked him for attending today and apologized for any miscommunications. He reported we are continuing to work on improving the water system and will have information at the April 23 water system meeting. Discussion was held.

Chad Harris, Riverview Water System customer, expressed similar concerns with the cost of the project and the lingering water quality issues. He thanked everyone for listening to him.

Commissioner Knapp clarified the District's electric system does not subsidize our water systems. He thanked Mr. McCormick and Mr. Harris for their comments. Mr. Willenbrock reported staff will be following up.

Following a 5-minute recess, the meeting resumed.

PUBLIC HEARING – CNS RATES & SERVICES, PROPOSED NEW SERVICE OFFERING – STANDARD PLUS:

Pursuant to notice given to the Newport Miner, a public hearing to discuss and consider Community Network System (CNS) rates and services for a proposed new service offering called Standard Plus was held at 10:30 a.m. There were two members of the public in attendance.

Ms. Holderman provided a powerpoint presentation on a CNS proposed new service offering. She provided an overview of the current Standard Class Wireless, Standard Class Fiber and Premium Class services we offer and who the retail service providers are. She compared our prices with other companies and utilities in the state. She reported the Premium Class Service would be renamed Enterprise Service with the same pricing and service levels as the current service. She and staff are proposing a new service offering for a Standard Plus Service which is a scaled down service package at a reduced cost.

Robert Fritz, District CNS Supervisor reported that based on our customers' needs we feel the need to offer a new service to assist them better and for us to stay competitive.

Commissioner Knapp asked if there were any questions from the public or staff.
Commissioner Onley reported he is not in favor of the new service offering.
Commissioner Larson reported he wants the PUD to be competitive, make money and cover its costs.

Mr. Willenbrock reported the CNS system is doing outstanding financially and this new service offering is intended help gain new customers and be more competitive in the area.

Commissioner Onley inquired about the after-hours costs with the new Standard Plus Service. Ms. Holderman reported if a Standard Plus Service customer has needs after hours there would be a minimum fee that they would authorize.

Commissioner Onley inquired about revenue neutrality. Ms. Holderman provided an overview of the customer fiber extension quotes. Mr. Willenbrock provided a CNS operating revenue history. Discussion was held.

Commissioner Knapp asked if there were any questions from the public. There were no questions. He thanked the staff for their work on finding a new option. Commissioner Larson requested that staff continue to work hard on this matter.

The public hearing ended at 11:00 a.m.

Commissioner Knapp reported a 1-hour executive session on pending and/or potential litigation will begin at 11:05 a.m. Following the executive session he will rejoin this meeting to adjourn.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 1-hour executive session on pending and/or potential litigation commenced at 11:05 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 11:55 a.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 11:56 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form