

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
February 16, 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: Sheryl Miller, Member of the Public
Gretchen Koenig, Member of the Public
Don Gronning, Newport Miner

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 February 2, 2021 meeting and today's revised agenda were reviewed. Commissioner Knapp noted the changes to today's agenda.

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. As of this date, February 16, 2021, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The minutes of February 2, 2021 meeting and the revised agenda for February 16, 2021.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 5359 through 5422 in the total amount of \$122,402.33; ACH payments in the total amount of \$600,074.53; Wire Transfers in the total amount of \$188,212.28; and ACH payroll transactions in the total amount of \$197,664.97 for the payroll ending January 31, 2021.

Commissioner Knapp announced that the Board would go into a 1-hour executive session for pending and/or potential litigation, and once the executive session is over the Board and staff will rejoin this meeting. Colin Willenbrock, District General Manager reminded staff and the public to stay logged on to this meeting as the executive session would have a separate logon.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 1-hour executive session on pending and/or potential litigation commenced at 8:40 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; April Owen, Director, Audit, Financial & Power Supply; and Tyler Whitney, General Counsel & Assistant General Manager. The executive session adjourned at 9:40 a.m. The Board returned to open session.

BOARD WORKSHOP:

Commissioner Knapp asked if Commissioners Onley or Larson had any topics for discussion. Commissioner Onley noted the recent power outages in his area. Mr. Willenbrock reported he spoke with Chris Jones, District Director of Operations who reported there was one outage over this past weekend and staff has been closely monitoring voltages and working to get a regulator in the Horseshoe Lake area.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported Lauren Naccarato, District Meter Reader has been nominated to receive a safety award. He provided the details and commended her for following the correct safety procedures.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning reported a realtor thanked the customer service staff for their dedicated work. She reported we are expecting higher usage and customer bills for this month due to the recent cold temperatures.

Commissioner Larson reported he had conversations with customers regarding the water system rates increase. Ms. Holderman reported more people were invited to the annual meeting since it was held virtually.

COMMISSION REPORT:

Commissioner Larson attended a virtual Northwest Open Access Network (NoaNet) Board meeting on February 10 along with Ms. Holderman and Mr. Willenbrock and provided an overview. He attended a virtual Broadband Action Team (BAT) meeting on February 11 and provided an overview. He participated in a call with Russ Elliott, Department of Commerce Director of State Broadband Office; Betty Buckley, WITA Executive Director; Mr. Willenbrock; and Ms. Holderman regarding broadband in the north county.

Commissioner Onley attended a virtual Greater Newport Area Chamber of Commerce meeting on February 2 and provided an overview. He participated in a teleconference with Olga Darlington, Moss Adams CPA/Partner and her staff on February 4 regarding the District's recent audit and provided an overview. He participated in the Washington Public Utility Districts Association (WPUDA) legislative update calls on February 4 and 11 and provided an overview.

BUSINESS FROM THE PUBLIC:

There was no business from the public.

Discussion was held regarding Commissioner Onley's virtual Greater Newport Chamber of Commerce meeting attendance and if there was discussion about changing to in-person meetings.

Commissioner Knapp participated in Energy Northwest calls and provided an overview. He attended a WPUDA legislative update call on February 4 and provided an overview. He attended Seattle City Light (SCL) mediation meetings on February 11 in Spokane and commended the District's team for their hard work on the settlement agreement.

ACTION ITEMS:

- Declaration of Surplus Property – Fleet Asset #283, 2007 Tracpac Trailer. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Larson to declare the fleet asset as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. The trailer will be scrapped. The motion passed unanimously. Staff will proceed as appropriate.
- Settlement Agreement with Seattle City Light. Mr. Willenbrock provided background information and an overview of the proposed settlement agreement. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to authorize the general manager to execute the SCL Settlement Agreement in substantially the same form as presented. The motion passed unanimously. Mr. Willenbrock thanked April Owen, District Director,

Audit, Financial & Power Supply; Tyler Whitney, District General Counsel & Assistant General Manager; and Christopher McKey, Energy West, LLC and his team for their efforts and great work.

MANAGEMENT REPORT:

Colin Willenbrock, General Manager:

He provided an update on the District's COVID-19 efforts.

He reported Dave Spencer, NoaNet CEO announced his retirement with departure in April, but he will remain on call through July. Mr. Willenbrock has been asked to sit on the nominating committee for the new CEO.

He provided an update on the broadband efforts for north Pend Oreille County and reported we are working with partners to provide high speed broadband for all north county residents.

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

She provided a financial update and reviewed a revised 2021 proposed budget summary.

She provided a Child Care Planning grant update and reported we have hired a consultant, are having bi-weekly meetings and have posted a survey on our website.

She provided a Community Network System (CNS) fiber update and reported there were a few outages this morning. We are getting a lot of fiber service requests and applications and crews are doing maintenance.

Tyler Whitney, General Counsel & Assistant General Manager:

He has been working on SCL Settlement Agreement efforts.

He reported Scott Jungblom, District Natural Resources Manager is attending another meeting today. There is a virtual fish subcommittee meeting scheduled for this Thursday where members will discuss the engineer of record's proposal of the fish return and transfer pipe mitigation. The pipe mitigation efforts entail a stent-like joint replacement. There are a number of safety cleanup items to do but we need the final as-built drawings first.

He reported the District will request a one-year extension from the Federal Energy Regulatory Commission (FERC) on our 6-year recreational monitoring survey study for 2021 due to the COVID pandemic, as has been agreed to by the forest service. Discussion was held.

Tim McMaster, Power Production Manager:

He provided an operations and maintenance update and reported the river flows are 13,600 cfs, which is down from last week and holding steady. The Lake Ponderay level is at its winter elevation of 2051 – 2051 ½ feet. Snow pack levels are at 97% of average in general. Sullivan Lake is at winter elevation and will slowly start filling. Staff is working on snow plowing and the fish passage. We will fabricate a new stairway at the corner of the powerhouse to the sorting level and fish projects are going on. Staff is working with Mr. Jungblom to prioritize construction items including the installation of the free-standing crane.

He provided a regulatory update and reported the Box Canyon and Sullivan Creek Part 12 Inspections and document updates have been submitted to FERC. We have submitted the 2020 dam safety survey to FERC. We have an upcoming Emergency Action Plan tabletop exercise regarding Calispell Creek which we are targeting for the end of March.

He reported they will have a North American Electric Reliability Corporation (NERC)/Western Electricity Coordinating Council (WECC) 5-year testing in the powerhouse this week.

He spoke with the engineer of record regarding the Calispell Creek Dike mitigation efforts.

He is completing the 2021 fish passage capital budget items.

Mark Scott, Water Systems Manager:

He reported there was a water leak in Metaline Falls behind city hall. The watermen repaired the leak and replaced the pipe.

He reported there was a customer water leak at the Sandy Shores Water System. The leak was located and repaired.

He received a call about low pressure at the Sunvale Acres Water System last week which was checked and fixed.

He reported the Riverview Water System water quality was tested and was good. There was no iron or arsenic and only a trace of manganese.

He is working on the Metaline Falls distribution line replacement project.

He is working with Mr. Jones, Mr. Willenbrock and Mr. Whitney on the District's property near the Diamond Lake Substation.

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

She provided a power supply update and reported with the cold temperatures the market prices have been higher. She showed an hourly load graph and reported that on Friday we hit a peak of just shy of 75 MW. She explained how power is scheduled with Shell Energy and provided a pricing overview. Staff is working to incorporate the Shell Energy Agreement tracking and billing.

She provided an audit update and reported she is continuing to work on it and this was the first virtual audit which went well. She is getting the annual report ready and drafted. Olga Darlington, Moss Adams CPA/Partner is tentatively scheduling the exit conference with the Board on March 16. She commended her team for their work with all the recent changes.

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

He is working with the Department of Commerce on a Cascadia Rising Federal Emergency Management Agency (FEMA) exercise with Washington State and reported we will try to participate as much as possible. He explained the exercise includes a simulated 9.0 magnitude earthquake with tsunamis, with a series of aftershocks along the West Coast of the United States scheduled for June 13 – 16, 2022. He is working with JoAnn Boggs, Deputy Director, Pend Oreille County Emergency Management on this exercise.

He is working with the Department of Commerce and the Department of Military on an energy site assessment where siting maps will be developed to minimize the conflict between Military sensitive areas and commercial generation siting.

He had WECC phone calls last week to discuss WECC's goals for 2021. He reported one goal addresses extreme weather events and fires. He reported on a rolling blackout outage in Texas due to winter weather.

He received a notice from FEMA regarding last year's Labor Day windstorm. He is wrapping up the January windstorm with FEMA this week.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He reported staff is working on Supervisory Control and Data Acquisition Historian, software used in defining databases. Staff is making improvements on data management and data storage and working on updates to the DNS structure, where names are converted to an IP address.

David Hodder, Engineering Manager:

He is working with Ms. Holderman on new high-density load customers who are looking to come into the county.

He reported some insulators on the 115kV line need to be changed. The Calispell Powerhouse transformer tested ok and he is working with the Bonneville Power Administration (BPA) on substation expansion. The Box Canyon meter change out project is being completed to meet the Avista energy imbalance market requirements. The pole test and treat project is finished. He is doing modeling, providing outage support and reviewing damage claims. Drafting and mapping updates are occurring.

Angie Hall, Regulatory Compliance Analyst:

She participated in a compliance mock audit for the Western Area Power Administration, Rocky Mountain Region last week. She reported it was a learning experience, a good opportunity to work with our external peers and an interesting process.

Suzie Thompson, Human Resources Manager:

She received some questions regarding the recent customer service representative job position that was filled by Madie Groom. She reported it was due to a job vacancy at the District and was not a new job position.

She is working on the summer student program for this year.

Amber Gifford, Communications, Contracts & Conservation Manager:

She provided a communications update and is focused on the 2020 Annual Report design and reported it was brought in-house this year. She is working with Ms. Owen and Ms. Holderman on the financial information.

She provided a contracts update and reported there is a CNS Mapping request for proposal open bid where the District is seeking a consultant for the GIS mapping program.

She provided a conservation update and reported the Smart Thermostat Energy Efficiency Rebate program started. She is receiving inquiries and waiting on applications to be submitted. A direct mail is being sent to customers regarding available BPA energy conservation funds which will result in \$70,000 in conservation funds that we can apply to other areas.

Adam Wiltse, Safety Manager:

He reported there are currently no active COVID cases at the PUD.

He is doing a safety training orientation on the fish ladder for the temporary on-call workers. He is prepping for the summer student safety training. He conducted various site inspections which are going well. He is doing a water treatment facility inspection with the watermen on Thursday and Friday.

Commissioner Knapp asked if there was an update on the essential worker COVID vaccine. Mr. Conway reported there is nothing new to report and he continues to work

with the Newport Hospital and Department of Health. He reported there is a blood drive next Tuesday and he is working with the Newport Hospital to encourage people to participate.

Commissioner Knapp asked if anyone had any further discussion items for the Board and/or staff. There were no more items for discussion.

Commissioner Knapp reported he had coffee with Don Gronning, Newport Miner and distributed PUD Calendars for 2021 in mid-county.

COMMISSION BUSINESS:

Commissioner Knapp reported the Board has been working on ways to cut their travel and meeting expenses and on any needed Governance Policy updates. Discussion was held. He asked Commissioners Larson and Onley for their input on cost cutting updates to the Board's travel and virtual meeting plans. Discussion was held.

During this period of economic downturn and the COVID-19 crisis resulting rate increases to our customers, the Board of Commissioners agreed on a few areas of cost savings. They could not reach agreement on obtaining pre-approval of commissioner's travel and/or meeting attendance. Commissioner Onley believes he does not need pre-approval from the other two commissioners to attend any meetings he desires if, in his opinion it would benefit him as a commissioner. In Commissioner Onley's opinion, he can attend any meetings, up to 140 meetings per calendar year, and receive \$128.00 daily per diem along with all associated travel expenses including mileage, hotel and meals without obtaining pre-approval from the commission.

Commissioner Larson will attend a virtual Economic Development Council (EDC) meeting tomorrow, a virtual WPUDA Energy Committee meeting on February 18, and a virtual Tri-County Economic Development District (TEDD) meeting on February 24.

Commissioner Onley will attend a virtual Greater Newport Area Chamber of Commerce meeting tonight, virtual WPUDA meetings on February 17 - 19, and a WPUDA Legislative update call on February 25.

Commissioner Knapp will attend virtual WPUDA meetings on February 17 – 19, a blood drive at the Newport Hospital on February 23, and a WPUDA Legislative update call on February 25.

PRE-APPROVAL OF COMMISSION TRAVEL OR MEETING ATTENDANCE:

Commissioner Knapp plans to attend the virtual Board meetings on March 2, 16 and 30, the virtual WPUDA meetings on March 17 – 19, a virtual BAT meeting on March 11, the WPUDA Legislative update calls on March 4, 11, and 25, and a virtual (possibly in-person) Energy Northwest meeting on March 24 – 25.

Commissioner Larson plans to attend the virtual Board meetings on March 2, 16 and 30, a virtual NoaNet Board meeting on March 10, a virtual BAT meeting on March 11, a virtual EDC meeting on March 17, and a virtual TEDD meeting on March 24.

Commissioner Onley plans to attend the virtual Board meetings on March 2, 16 and 30, the WPUDA Legislative update calls on March 4, 11, and 25, and the virtual WPUDA meetings on March 17 – 19. Commissioners Knapp and Larson did not approve of Commissioner Onley charging per diem for the brief legislative calls or attending the WPUDA Board of Directors meeting on March 19.

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