

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
December 5, 2023
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Curtis J. Knapp, President
Joseph B. Onley, Vice President
David W. Rick, Secretary

Staff Present: April Owen, Co-Interim General Manager
Sarah Holderman, Co-Interim General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: Gretchen Koenig, Member of the Public
Denise Pauling, Member of the Public

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

BOARD WORKSHOP:

Amber Gifford, District Customer Service & Contracts Manager, introduced Jared Smiley, District Meter Reader. She reported that he started on November 27 and she provided his background. The Board welcomed him to the District.

Discussion was held regarding Northwest Public Power Association resolutions, Customer Connect newsletter article related to digital equity, water system generator, and other Washington State utilities' rates.

APPROVAL OF CONSENT AGENDA:

The minutes from the November 21, 2023 meeting, the November 27, 2023 special meeting, today's agenda, and the vouchers were reviewed.

As of this date, December 5, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The agenda for December 5, 2023 meeting, the minutes of the November 21, 2023 meeting, and the special minutes of the November 27, 2023 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. 8817 through 8850 in the total amount of \$119,386.28; ACH payments in the total amount of \$2,514,309.08; Wire transfers in the total amount of \$575,790.16; and ACH payroll transactions in the total amount of \$242,907.73 for the payroll ending November 15, 2023.

The motion passed unanimously.

GENERAL MANAGERS' UPDATE:

April Owen, District Co-Interim General Manager, reported the Washington Public Utility Districts Association is forming a Safety/Risk Managers Committee to discuss safety issues and wildfire and risk mitigation. We will have staff representatives to help with the committee.

She and Sarah Holderman, District Co-Interim General Manager, provided an overview of the proposed budget and rates. Discussion was held.

ACTION ITEMS:

- Internal Reliability Compliance Policy Annual Approval. Angie Hall, District Regulatory Compliance Analyst, reported this is a calendar year-end review and she provided the updates. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the Internal Reliability Compliance policy with the changes as presented. The motion passed unanimously.
- CPI Wage Adjustment. Suzie Wrbelis, District Director of Human Resources, provided a powerpoint presentation and reviewed performance and cost of living adjustments. Discussion was held. Staff is recommending a 3.2% CPI wage increase for non-union staff which will be effective January 1, 2024. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve a 3.2% wage increase for non-union staff based on staff recommendation. The motion passed unanimously.
- Tentative Agreement Approval for Utility Services Designers. Ms. Owen provided an overview and reported the union has approved the agreement. A motion was made by Commissioner Rick and seconded by Commissioner Onley to approve the Tentative Agreement for Utility Services Designers as presented. Commissioner Knapp thanked staff for their work on the negotiations and agreement. The motion passed unanimously.
- Dark Fiber Lease Agreement Approval. Ms. Holderman provided an overview. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the agreement and authorize the general manager to execute the agreement with Quest Corporation d/b/a CenturyLink QC in substantially the same form as presented. The motion passed unanimously.
- Assignment to CSI's Contract. Ms. Holderman reported that CSI is selling their property and this is to transfer CSI's contract to Allrise. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to approve and authorize the general manager to execute the Assignment of CSI's Contract to Allrise in substantially the same form as presented. The motion passed unanimously.
- January Energy Transaction. Ben Hall, District Energy Resources Manager, reported we will have surplus energy in Off-Peak hours during the month of January. We offered it to Cascade per their electric service agreement and they have until December 7 to accept. He is looking for contingent approval to sell the surplus power on the open market to a wholesale county party in case Cascade does not accept. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the January Energy Transaction in substantially the same form as presented by staff. The motion passed unanimously.
- Resolution No. 1478 – Budget for 2024. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve and adopt Resolution No. 1478 for the 2024 Budget. Commissioner Knapp thanked staff for their work on the budget. The motion passed unanimously.

Following a short recess, the meeting resumed.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Gretchen Koenig, member of the public, inquired of the Off License Settlement Agreement details. Ms. Owen provided an overview.

Ms. Koenig commented that she favors small electric rate increases versus larger increases.

Denise Pauling, member of the public, noted the Riverview Water System loan comes with a low interest rate and inquired about the carry over amount. She reported their water quality is not getting any better and she doesn't feel a generator is needed. She understands and agrees with the 2% electric revenue increase. She asked for loan forgiveness or some relief or assistance for the Riverview Water System.

Commissioner Knapp thanked the public for attending and for their questions and comments.

ACTION ITEMS (continued):

- Resolution No. 1479 – Electric System Rates for 2024. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to table the resolution. The motion passed. Commissioner Knapp was opposed.
- Revised Electric Service Credit and Rates Policy. Commissioner Onley made a motion to approve the revised Electric Service Credit and Rates policy as amended with no rate increase. Commissioner Rick seconded Commissioner Onley's motion. Discussion was held. Commissioner Knapp thanked the Board for their input. The motion passed unanimously.
- Resolution No. 1480 – Water System Rates for 2024. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve and adopt the resolution and revised Water Service, Credit and Rates Policy. Commissioner Knapp requested that staff look for any loan forgiveness or assistance. The motion passed unanimously.
- Introduction of Resolution No. 1481 – Appointment of General Manager. Commissioner Knapp reported the Board's intent is to hire John Janney as the General Manager effective December 20, 2023. There will be an action item at the December 19 meeting to approve the resolution and contract. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the introduction of the resolution with the intent to hire John Janney as the District's General Manager effective December 20, 2023. The motion passed unanimously.

SAFETY SPOTLIGHT:

Ms. Wrbelis explained the importance of staying in your vehicle if you get stranded, call for emergency assistance if needed, and hang a brightly colored cloth out the window. If you are walking along the road use flashlights and wear reflective clothing. Commissioner Onley noted to walk against traffic. Commissioner Knapp noted to be aware of any vehicles needing assistance with their lights on that are parked along the side of the road and that drivers tend to drift toward the lights.

CUSTOMER SPOTLIGHT:

Ms. Gifford encouraged staff to visit the customer service lobby to see the Christmas decorations and to boost their Christmas spirit. She thanked the customer service representatives for decorating.

She reported the 2024 PUD Calendars have arrived.

She reported the City of Newport's Christmas Parade is this Saturday at 4pm and we will have a PUD truck in the parade. There will be activities after the parade in the atrium.

COMMISSION REPORT:

The Board of Commissioners attended the special Board meeting on November 27 in Newport.

Commissioner Knapp attended a virtual Energy Northwest Resource Task Adequacy meeting on November 29.

COMMISSION BUSINESS:

Commissioner Onley will attend a Greater Newport Area Chamber of Commerce meeting on December 13 in Newport, the Board meeting on December 19 in Newport, and the Christmas parade and festivities on December 9 in Newport.

Commissioner Rick will attend the Christmas parade and festivities on December 9 in Newport, a Tri-County Economic Development District meeting on December 13 in Colville, and with Board permission, a Clean Energy Expo on December 14 in Wenatchee. Commissioner Knapp and Onley approved his attendance.

Commissioner Knapp noted that January would be a good time to review the Board's travel and meeting days. Ms. Holderman will provide information. He will travel today to attend Energy Northwest meetings in the Tri-Cities.

He asked if there was any other business for the good of the order.

Commissioner Knapp reported that following a tour of the Diamond Lake Substation building, the meeting would be adjourned. The next meeting is December 19, 2023, in the Newport Conference Room, Newport and via Microsoft Teams.

Discussion was held regarding the 2024 Board Meeting Calendar.

TOUR OF DIAMOND LAKE SUBSTATION BUILDING:

The Board of Commissioners, District staff, and members of the public toured the Diamond Lake Substation building. Discussion was held.

There being no further discussion to come before the Board, the meeting adjourned at 12:00 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form