

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
August 1, 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: Tyler Whitney, Cable Huston, LLP, virtual
Gretchen Koenig, Member of the Public
Denise Pauling, Member of the Public
Mike and Georgia Coker, Members of the Public

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

Commissioner Knapp announced a 30-minute executive session to evaluate the qualifications of an applicant for public employment will begin at 8:35 a.m. in the Riverbend Conference Room. If the executive session needs to be extended, he will rejoin the open session to publicly announce an extension. No final action will be taken during the executive session. Following the executive session he and/or the Board will rejoin the open session to continue the meeting.

EXECUTIVE SESSION – EVALUATION OF QUALIFICATIONS OF AN APPLICANT FOR PUBLIC EMPLOYMENT:

A 30-minute executive session to evaluate the qualifications of an applicant for public employment commenced at 8:35 a.m. The following were in attendance: Board of Commissioners; Suzie Wrbelis, Director of Human Resources; and Tyler Whitney, Cable Huston, LLP, virtual. At 9:03 a.m., Commissioner Knapp publicly announced the executive session will be extended for 30 minutes. The executive session adjourned and the Board returned to open session at 9:30 a.m. No final action was taken during the executive session.

APPROVAL OF CONSENT AGENDA:

The minutes from the July 18, 2023 meeting, the July 24, 2023 special meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, August 1, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The revised agenda for August 1, 2023 meeting, the minutes of the July 18, 2023 meeting, and the special minutes of the July 24, 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. 8338 through 8394 in the total amount of \$208,320.15; ACH payments in the total amount of \$1,012,759.06; Wire transfers in the total amount of \$538,126.81; and ACH payroll transactions in the total amount of \$232,543.99 for the payroll ending July 15, 2023.

The motion passed unanimously.

GENERAL MANAGERS' UPDATE:

Suzie Wrbelis, District Director of Human Resources, introduced Shelby Rood, District Summer Student, Box Canyon Maintenance, and reported she is job shadowing today. The Board welcomed Ms. Rood to the District.

April Owen, District Co-Interim General Manager, reported the District has been upgraded from an A- positive to an A stable credit rating by Fitch Ratings. She provided an overview of the four credit rating agencies and reported that Fitch and Moody's rate us once a year and we had our review last week. She explained that the risk mitigation aspects of the Clark Public Utilities contract and the Cascade Digital Mining, LLC contract, as well as the successful navigation of the Ponderay Newsprint Company (PNC) closure, contributed to the upgrade. She commented this is great news and she congratulated staff for their hard work. Commissioner Knapp congratulated the team for all their work, recommended everyone read Fitch's report, and noted how far we have come following the PNC closure. Discussion was held.

Sarah Holderman, District Co-Interim General Manager, provided a fiber grant funding opportunities update. She explained the Broadband, Equity, Access and Deployment (BEAD) Grant Program with available applications is expected in early 2024. More information to come. Discussion was held.

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.

Denise Pauling, member of the public and Riverview Water System customer, suggested that the overage charge for the water system be eliminated. She commented that they are granted a certain water amount each month and can't carry over that amount if not used to the next month. She noted there was brown water recently and they have 14 full-time residents with a total of 59 customers.

Mike Coker, member of the public and Riverview Water System customer commented there is a lack of communication between them and the water system operators. He suggested the District notifies them when their water is brown or has an issue.

Commissioner Knapp thanked them for attending and presenting their concerns in a professional way. Staff will work with them regarding their concerns. He provided an overview of our water systems.

Georgia Coker, member of the public and Riverview Water System customer, requested the District look into a grant for an emergency water system generator as a backup for when their water is out.

Gretchen Koenig, member of the public, commented that she works at the Pend Oreille County Fair which is a 501C non-profit and there are lots of others struggling to find funding. She inquired if there could be a special rate for non-profits to help them.

Commissioner Knapp thanked everyone for attending and for their comments.

Ms. Holderman reported staff had a call with a Cascadia Renewables representative who is working on a solar battery storage project with the Department of Commerce and Kalispel Tribe of Indians.. He reached out to ask questions on our process.

ACTION ITEMS:

- Selection of General Manager. Commissioner Knapp reported the Board has been in a general manager job search process and they had the executive session this morning to further discuss. A motion was made by Commissioner Onley to extend on offer of employment to Anna Henderson as our General Manager

subject to contract negotiations. Commissioner Rick seconded the motion. The motion passed unanimously.

- Declaration of Surplus Property – Shelving and Desk. Chris Jones, District Director of Operations, reported the shelves were in the meat locker storage building and they are no longer needed. These items will be offered for sale through our sealed bid process. Based on staff recommendation, a motion was made by Commissioner Rick and seconded by Commissioner Onley to approve and declare the shelves and desk as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District’s operations, and no longer necessary, material to, or useful in the District’s operations, and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Declaration of Surplus Property – Approximately 25 Wooden Utility Power Poles and Pole Ends. Mr. Jones reported the poles are being stored at the Diamond Lake Substation and are no longer needed. These items will be offered for sale through our sealed bid process. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Rick to approve and declare the poles and pole ends as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District’s operations, and no longer necessary, material to, or useful in the District’s operations, and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Declaration of Surplus Property – Yamaha Small Generator. Mr. Jones reported the Yamaha small generator has heat damage and does not run. It will be offered for sale through our sealed bid process. Based on staff recommendation, a motion was made by Commissioner Rick and seconded by Commissioner Onley to approve and declare the generator as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District’s operations, and no longer necessary, material to, or useful in the District’s operations, and, therefore surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Economic Development Council (EDC) Member Representation. Discussion was held. A motion was made by Commissioner Rick to approve our participation and membership into the EDC and be active voting members. Commissioner Onley seconded the motion. Discussion was held. Commissioner Rick’s motion was amended to also include appointing Commissioner Rick as the District’s EDC member representative and Commissioner Onley as the District’s EDC alternate. Commissioner Onley seconded the amended motion. The motion passed unanimously.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported the Washington State Department of Labor & Industries is proposing changes to the wildfire smoke rules which includes action levels for the air quality index being lowered to make them stricter. Discussion was held.

Commissioner Onley told a personal story about the importance of not relying on muscle memory when you are carrying something and to watch where you’re going and stepping.

Kevin Conway, District Director of Utility Services, reported that with stricter smoke and heat rules putting more burden on the system operators to make sure workers are safe and the District stays in compliance there will be more of an effort to find better ways for employees to stay safe. Ms. Owen reported heat alert notifications are county-wide but for wildfire smoke alerts you need to pick a location(s) to monitor. Mr. Wiltse reported we can get monitoring devices to be site specific but it is at a cost. Discussion was held.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, reported she and staff are gearing up for the Pend Oreille County Fair which runs August 17 – 20 at the Cusick Fairgrounds. The District will have its usual booth spot, will take photos with an American flag backdrop. Commissioner Knapp thanked Ms. Gifford and her team for their work on our fair booth.

FINANCIAL REPORT:

John Bricher, District Finance Manager, provided a June 2023 Financial Report. Discussion was held. Ms. Owen commended Mr. Bricher and the finance team for doing a great job on the financial report.

COMMISSION REPORT:

Commissioner Onley attended a Pend Oreille Representatives Workshop on July 19 at the Port in Usk and a Special Board meeting on July 24 in Newport. He is reviewing the information that Kelly Driver, Port of Pend Oreille Manager, provided at the meeting.

Commissioner Rick attended the Pend Oreille Representatives Workshop on July 19 at the Port in Usk and provided an overview. He attended the Special Board meeting on July 24 in Newport. He attended a Tri-County Economic Development District meeting on July 26 in Colville and provided an overview. He attended an EDC meeting on July 19 in Newport and provided an overview. He was contacted by a customer inquiring when the power line near the Selkirk High School will be repaired; staff is following up.

Commissioner Knapp attended the Pend Oreille Representatives Workshop on July 19 at the Port in Usk, the Special Board meeting on July 24 in Newport, and Energy Northwest meetings on July 26 - 27 in the Tri-Cities and provided an overview. He spoke with staff and customers throughout the week.

COMMISSION BUSINESS:

Commissioner Onley will attend a virtual Greater Newport Area Chamber of Commerce meeting tomorrow and the Board meeting on August 15 in Newport.

Commissioner Rick will attend the Board meeting on August 15 in Newport. Commissioner Knapp will attend virtual Public Power Council and Pacific Northwest Utilities Conference Committee meetings on August 2 - 4, and Energy Northwest meeting on August 8 in the Tri-Cities. He will attend the Board meeting on August 15 virtually.

Discussion was held regarding the commissioner timesheet submittals and potential townhall meeting dates.

Commissioner Knapp reported the meeting will be adjourned following a summer student recognition lunch at the Newport Warehouse.

He reported the next meeting is August 15, 2023, in the Newport Conference Room, Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 12:30 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form