

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
November 15, 2022  
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND  
VIRTUAL VIA MICROSOFT TEAMS

Present: Curtis J. Knapp, President  
Joseph B. Onley, Secretary

Absent: Richard A. Larson, Vice President

Staff Present: F. Colin Willenbrock, General Manager  
Management/District Staff  
Karen Willner, Clerk of the Board

Others: Nathan Ikehara, PE, Department of Health  
Dave Rick, Commissioner-elect  
Gretchen Koenig, Member of the Public

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

CONSENT AGENDA:

Today's revised agenda, and the vouchers were reviewed. The draft November 1, 2022 minutes will be approved at the November 29, 2022 meeting.

As of this date, November 15, 2022, the Board, upon motion by Commissioner Onley and seconded by Commissioner Knapp approved the following:

- The revised agenda for November 15, 2022.
- 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. 7472 through 7523 in the total amount of \$58,958.94; ACH payments in the total amount of \$329,899.51; Wire Transfers in the total amount of \$232,372.88; and ACH payroll transactions in the total amount of \$232,429.66 for the payroll ending October 31, 2022.

The motion passed unanimously.

METALINE FALLS WATER TREATMENT PLANT AWARD:

Mark Scott, District Water Systems Manager, introduced Nathan Ikehara, PE with the Department of Health.

Mr. Ikehara reported he is here today to present an award to the District for its Metaline Falls Water Treatment Plant optimization performance. He provided an overview of the water quality standard goals and commended the District's water department for achieving a gold certificate for 10 consecutive years of optimization performance at its Metaline Falls Water Treatment Plant. He presented the award to the water department staff.

The Board congratulated the water department staff for its great work and continued achievement.

Colin Willenbrock, District General Manager, reported the District has been involved with Mr. Ikehara and the Department of Health regarding the Town of Cusick's water treatment plant. He commended the water department staff and is proud of their work and many projects.

### BOARD WORKSHOP:

Commissioner Knapp asked if Commissioner Onley had any topics for discussion during this workshop or future workshops. Commissioner Onley did not have any topics.

Mr. Willenbrock and Tyler Whitney, District General Counsel, attended an American Public Power Association Legal and Regulatory Conference last week in Colorado Springs, Colorado.

He reported Sarah Holderman, District Director of Customer Services, and Commissioner Larson attended a Northwest Open Access Network (NoaNet) Board meeting last week and will provide an update.

### BUDGET PRESENTATION:

Ms. Holderman provided a budget presentation and reported there was a change in the taxes calculation compared to the version previously provided to the Board. She reported the budget and electric system rates public hearing will be held at the November 29 Board meeting with possible action at the December 6 meeting. The budget needs to be approved by the end of this year.

She provided and explained a budget summary by each system. Discussion was held.

### BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Dave Rick, commissioner-elect, congratulated the water department for achieving a gold certificate award and he thanked Ms. Holderman and staff for a good budget presentation.

Gretchen Koenig, member of the public, inquired how Cascade is responding to the FTX bankruptcy. She was referred to speak with Cascade.

She noted private developers who are putting up solar farms and connecting to the grid and inquired if the PUD had exclusive territorial rights to Pend Oreille County. Mr. Willenbrock referenced the Public Utility Regulatory Policies Act.

Following a 5-minute recess, the meeting resumed.

### SAFETY SPOTLIGHT:

Mr. Willenbrock reported Ben Huntley, District Serviceman, is acting operations supervisor while Chris Jones, District Director of Operations, is out. He commended the crews on their work at the Deer Valley Substation and Philip Roice, District Engineering Manager, for reaching out to Inland Power & Light to coordinate the repair.

He reported the Box Canyon crew is disassembling turbine unit 4 for inspection and are doing it safely and taking their time to make sure it is done right. McMillen Jacobs gave their final report for the disassembly.

Commissioner Onley commended Mr. Huntley and the crew for their great work during the Deer Valley Substation outage. Mr. Willenbrock reported a bushing failed and the Bonneville Power Administration (BPA) provided assistance.

### CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, reported she is receiving questions on when our 2023 PUD Calendar will be ready. She hopes to have the draft print this week and the calendars should be ready to distribute during the first week in December.

### ACTION ITEMS:

- Surplus Bid Awards – Fleet Asset #280 2000 Eager Beaver Equipment Trailer and Pallets of Thread Bolts. Karen Willner, Clerk of the Board, provided the bid tabulation details. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Knapp to award the bids to the highest bidders, as presented. The motion passed unanimously. Staff will proceed as appropriate.
- December Energy Transaction. April Owen, District Director of Finance, reported we are proposing to sell 25 MW during light load hours for the month of December. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Knapp to approve the energy transaction for December, as presented. The motion passed unanimously.
- T-Mobile Lease Agreement Amendment. Ms. Holderman reported T-Mobile has requested to install a generator near the cell tower which wasn't in their current lease agreement. This will change their monthly rent to \$2,000, up from \$1,500. A motion was made by Commissioner Onley and seconded by Commissioner Knapp to approve the amendment, as presented. The motion passed unanimously.
- Metaline Falls Distribution Project Bid Award. Mr. Scott distributed and explained a handout and reported there are two portions to the project, upper and lower Lehigh Hill Road. He provided the bid details and reported the block grant will increase the award amount. The engineer of record recommends we award both portions and the work will begin in the spring after the road restrictions are lifted and the snow is gone. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Knapp to approve and award the bid to the apparent low bidder, Interstate Concrete & Asphalt in the approximate amount of \$583,000. The motion passed unanimously.

MANAGEMENT REPORT:

Mark Scott, Water Systems Manager:

He reported we went out to bid for the Sunvale Acres Pipe Replacement project. He provided the bid details and reported that five bidders did not submit the required documentation. He is proposing to reject all the bids and rebid the project.

ACTION ITEMS (continued):

- Sunvale Acres Pipe Replacement Project. A motion was made by Commissioner Onley and seconded by Commissioner Knapp to reject all six bids. Discussion was held. Staff will reevaluate and determine if we want to rebid the project. The motion passed unanimously.

Sarah Holderman, Director of Customer Services:

She attended a virtual Public Utility Risk Management Services meeting on November 3 and provided an update which included wildfire insurance coverage. Discussion was held.

She and Commissioner Larson attended a virtual NoaNet Board meeting on November 9 and reported Lewis County PUD gave a presentation on the fiber grant they received and requested help from NoaNet. They want to rejoin NoaNet.

She provided a customer bill arrearages update regarding the Department of Commerce grant application. She explained there are qualifications on who is eligible for funding and based on the criteria, we wouldn't have enough customers who are eligible and it is not worth the administration effort. We will pass on the grant. Discussion was held.

Amber Gifford, Customer Service & Contracts Manager:

She reported we are delaying this week's planned customer disconnects as a courtesy due to the extreme cold temperatures. She and staff are working on the higher amount customer arrearages and will hang door hanger reminders. She reported a winter moratorium went into effect today through March 15. Customers need to apply and get approved.

She referenced the Sunvale Acres Pipe Replacement project engineer's estimate and explained the main reason to supply an engineer's estimate is to steer contractors to determine if it is a project they want to bid on. Discussion was held.

Philip Roice, Engineering Manager:

He attended a NESC Code updates meeting last week and reported there are changes for height restrictions. The meeting provided good information.

He reported we have a transformer for the Deer Valley Substation on loan from Inland Power & Light while we have ours repaired.

He is working with BPA on their yearly data request for our 132kV line. Discussion was held. Mr. Willenbrock attended an internal Compliance Steering Committee meeting yesterday and has asked Kevin Conway, District Director of Utility Services, and Angie Hall, District Regulatory Compliance Analyst, to put together a compliance reliability filings presentation for a future meeting.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He and staff are working on the fiber map and he reported the original as built for the Broadband Technology Opportunities Program project is on the map and is complete. Connectivity is at 87% and Phase 2 of the project to put in locations has started.

He reported Frank Pisano, District Network Supervisor, is developing an iPad program for Scott Jungblom, District Natural Resources Manager, and the biologists to use track the fish at the fish hatchery project.

He provided a Community Network System update and reported staff is working on updating the monitoring software. Applications have been mapped out where the connections happen. This is more of a proactive stance and we will get alert notifications.

He provided an outage management system update and reported that Todd Swegle, District GIS & Drafting Technician, and Kevin Persyn, District SCADA Engineer, are making corrections to the system.

He reported a change out of the EFX host in system operations has started. Firewalls have arrived and staff are working on changing them out.

April Owen, Director of Finance:

She reported the finance department is in the midst of several audits. John Bricher, District Finance Manager, reported he is working on three audits: a Department of Revenue excise tax audit for 2018 – 2021 which is nearing completion; a Washington State Auditors Office accountability audit for 2021 which he is targeting for early December to finish; and he is preparing for a Moss Adams interim audit and is working to get October closed and field work completed at the end of November. Ms. Owen reported that for the sales and use tax, we have to determine on every invoice if sales tax is charged. She commended Megan Malone, District Accounts Payable Analyst, and Mr. Bricher for checking all the invoices for sales and use tax charges. Discussion was held.

She provided a power supply update and reported Cascade is currently at a flat load of 64 MW. They will be increasing to 69 MW for the remainder of November, and will have a

load of 68 MW during the month of December. Mr. Willenbrock provided a refresher on how their contract works.

Ms. Owen will attend Public Power Council (PPC), Pacific Northwest Utilities Conference Committee (PNUCC), and Northwest River Partners meetings this week in Portland. Mr. Willenbrock will also attend these meetings.

Bryant Kramer, Director of Power Production:

He reported the river flows dropped to 10,500 cfs today. The Army Corps of Engineers has completed a draft drawdown of Lake Pend Oreille.

He has received the action and mitigation plan for the turbine unit 4 outage event from McMillen Jacobs. The Box Canyon crew is doing the disassemble and the goal is to remove the rotor for inspection. He reported the District has temporarily hired Stan Haney, Hydro Mechanic, and extended the contract of Marcus Johnson, Temporary Hydro Maintenance Worker, to assist. All disassembly is being photo-documented. He is working with Motion Industries in Spokane Valley on refurbishing the valves.

He, Mr. Conway, and Jamie Dunn, District Administrative Assistant for Production, are working with McMillen Jacobs on the Functional Emergency Action Plan exercise follow up.

He reported the production crew is winterizing projects including the fish ladder which is currently shut down. Scott Jungblom, District Natural Resources Manager, is working on year-end reports and the total dissolved gas issue.

Mr. Willenbrock inquired if it is feasible to have unit 4 back online this year. Mr. Kramer reported it is feasible but we need to have a specialist come in to look at it.

Mr. Willenbrock noted Mr. Kramer's reference to winterizing projects which is due in part to the Texas storm. Mr. Kramer provided a winterization overview and reported they look to make sure they have enough fuel for backup generators, have documentation of what they do, make sure they have the right kind of sand to use on the fish ladder, make sure snow removal equipment is working properly, blow out the sprinklers, and do a drawdown of Campbell Pond. He reported they will store the spillway hydraulic cylinders differently this year by retracting them.

Suzie Wrbelis, Director of Human Resources:

She reported open enrollment was finished last week. We held an annual employee health fair and she thanked Destini Parker, District Payroll & Benefits Coordinator, for organizing the event which included information on blood donations, dental donations, flu shot vouchers, a biometric screening, and a children and adult pumpkin carving contest.

She provided a recruiting update and reported on the recent hires: Nik Reed, District Broadband System Network Administrator; Chance Foss, District Electrical Project Engineer; and Riley Bauer, District Meter Reader. We are currently recruiting for an Energy Resources Manager and a Project Coordinator.

COMMISSION REPORT:

Commissioner Onley attended a virtual Greater Newport Area Chamber of Commerce meeting on November 2 and provided an overview. He thanked Ms. Holderman for providing his requested electric vehicle charging station statistics. He inquired about the unique users. Mr. Willenbrock reported the users have to log in to charge at the stations and Ms. Holderman reported she looks at a website. Commissioner Onley attended a virtual Port Districts meeting on November 7 and provided an overview.

Commissioner Knapp attended a virtual Energy Northwest meeting this morning and provided an overview.

COMMISSION BUSINESS:

Commissioner Onley will attend the virtual Washington Public Utility Districts Association (WPUDA) meetings this week.

Commissioner Knapp will attend PPC, PNUCC, and Northwest River Partners meetings in Portland and virtual WPUDA meetings this week. Discussion was held.

Commissioner Knapp announced a 30-minute lunch at 12:00 p.m., and adjournment of the meeting. He reported the next meeting is November 29, 2022, starting at 9:00 a.m., at Box Canyon Dam, in Ione and via Microsoft Teams.

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

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form