

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
October 26, 2021
VIRTUAL VIA MICROSOFT TEAMS

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

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 October 5, 2021 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, October 26, 2021, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The revised agenda for October 26, 2021, and the minutes of the October 5, 2021 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. 6162 through 6240 in the total amount of \$113,637.55; ACH payments in the total amount of \$743,050.45; Wire Transfers in the total amount of \$272,093.87; ACH payroll transactions in the total amount of \$225,962.40 for the payroll ending September 30, 2021; and ACH payroll transactions in the total amount of \$222,372.77 for the payroll ending October 15, 2021.

The motion passed unanimously.

Following a 2-minute recess for Commissioner Onley to rejoin the meeting, the meeting resumed.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Onley requested a broadband grant update. Commissioner Knapp requested information on the organizations we belong to and their associated membership costs.

Colin Willenbrock, District General Manager reported today's meeting is focused on a capital projects workshop and a preliminary look at next year's budget. He explained the format.

He reported on the COVID-19 pandemic with vaccinations, mandates, OSHA rules, enforcement of the federal mandate, and state Labor & Industries mandates.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager provided a COVID-19 update. Under a passed Senate Bill 5115 effective May 2021, Labor & Industries has created a new rule for businesses with over 50 employees. He provided an overview of the bill and new rule.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning introduced two new customer service representatives that started this week and reported they were hired to replace other staff members. She welcomed Desiree Persyn and Teya Marinello and reported they are both local residents. She provided their backgrounds. The Board welcomed them to the District and the team.

Ms. Holderman reported that we applied for a Washington State Broadband Office broadband acceleration grant and we should find out by November 8 if we were selected to move on to round two. The grant is to bring broadband fiber to the entire Northern Pend Oreille County. She reported another grant has become available which we may also apply for. She commended the Northwest Open Access Network (NoaNet) grant writer who is very helpful in the application process and Karen Willner, District Assistant to the General Manager for keeping staff organized and helping with the application process. Commissioner Knapp thanked the team for their efforts.

COMMISSION REPORT:

Commissioner Knapp spoke with customers regarding the Newport Rodeo Association and Newport Cowboy Park. He attended the Box Canyon Upstream Fish Passage Ribbon Cutting Ceremony on October 21 at Box Canyon and thanked Amber Gifford, District Communications, Contracts & Conservation Manager; Scott Jungblom, District Natural Resources Manager; and the team for their work on the event.

Commissioner Larson attended a virtual NoaNet Board meeting on October 13 and provided an overview which included a budget discussion. He attended a virtual Broadband Action Team (BAT) meeting on October 14 and provided an overview. He would like to have a conversation regarding the redundant fiber for the Tiger feeds.. He reported the BAT meeting was not approved by the Board and discussion is needed. Dario Nila, District Community Network System (CNS) Supervisor/Network Specialist provided BAT meeting details regarding the services the retail service providers provide for the grant. Commissioner Larson attended and thanked staff for the fish passage ribbon cutting ceremony.

Commissioner Onley attended a virtual Washington Public Utility Districts Association Budget Committee meeting on October 14 and provided an overview which included a discussion on a cost of living adjustment and a membership dues increase. He attended a virtual Greater Newport Area Chamber of Commerce meeting on October 19 and provided an overview which included an electric vehicle charging station update. He attended the fish ladder ceremony at Box Canyon on October 21. He commented on our great working relationship with the Kalispel Tribe of Indians and thanked staff.

COMMISSION BUSINESS:

Commissioner Knapp referenced Commissioner Larson's comment about Board meeting attendance approval. He made a motion to approve Commissioner Larson's BAT meeting attendance on October 14. Commissioner Onley seconded the motion. The motion passed unanimously.

Commissioner Knapp will attend the Energy Northwest meetings today through Friday in the Tri-Cities and provided the meeting agenda details.

Commissioner Larson will attend a virtual Tri-County Economic Development District meeting tomorrow.

CAPITAL PROJECTS WORKSHOP:

Ms. Holderman provided an overview of the workshop to include discussion about capital projects and infrastructure that includes equipment and tangible assets. Each department will walk through the major projects they are proposing for 2022. A number of projects are carry over from last year.

David Hodder, District Engineering Manager provided an engineering department project overview and reported that transformers are delayed, padmount transformers are delayed 6 – 12 months and the price has almost doubled. Transformers have been ordered and will arrive next year and more will be ordered. Ms. Holderman reported that after the first of the year a revised line extension fee and policy will be presented to the Board. Discussion was held.

Mr. Hodder reviewed substation projects which include the future Bare Mountain site and Dalkena area. The Bare Mountain Substation needs to be built soon for reliability and safety. We have long feeders in south county and more people are moving there. We will study the population growth in the budget process. He explained the proposed project details and reported that in 2022 we will be doing the initial preliminary conceptual studies on population growth and improvements to the system. Discussion was held.

He reported the OPGW project is moving forward with ECI Consulting as the consultant. The project will start in 2022. ECI will provide an updated cost estimate. Lead times for equipment and construction will be the factors for the project start date.

He provided a copperweld replacement project overview and reported we have old copperweld which limits the capacity on our lines. Discussion was held.

Chris Jones, District Director, Operations provided an electrical operations projects overview. He reported that last week 6,000 feet of underground wire was installed and this week 10,000 feet will be installed for line extensions. The distance of line extensions has doubled or tripled and as more people move into the county line extensions will be longer and cost more money. He reported we have 100 transformers on order with a 50 weeks lead time. He is currently working on going out to bid for more transformers for a 2023 order. We have been telling customers about the lead times so they are aware. Discussion was held.

He reported the meat locker storage building needs to come down in order to build the operations center facility. He had a local contractor give an estimate to tear down the meat locker and gravel fill the hole. There could also be an asbestos abatement cost. There will be a cost for fence work and then we will need to build another facility for outside storage needs to replace the meat locker. Mr. Willenbrock reported we have not put a number in the budget and the question is how we want to handle our facilities going forward. Discussion was held.

BUSINESS FROM THE PUBLIC:

There was no business from the public.

CAPITAL PROJECTS WORKSHOP (continued):

Discussion was held regarding the meat locker tear down plan and other facility options.

Mark Scott, District Water Systems Manager provided a water department project review. He reported the Metaline Falls distribution line replacement is a community development block grant project where about 5,000 feet of pipe on top of Lehigh Hill to the railroad vault below will be replaced. All of the survey and topography engineering and environmental work is complete. The lead time on parts and higher costs are concerns looking into 2022.

He reported the Sunvale Acres Water System distribution line project will be done through a Public Works Board loan and he would like to get the project bid out sooner than later. However, he is also looking at other funding options including a Drinking Water State Revolving Fund with subsidy loan.

Following a 5-minute recess, the meeting resumed.

BUSINESS FROM THE PUBLIC (continued):

Gretchen Koenig, member of the public suggested the PUD use the former Tom Addis site to build a new facility. Discussion was held.

Tyler Whitney, District General Counsel & Assistant General Manager provided a production project overview. He reported the Calispell Creek dike mitigation has been an on-going discussion with the Federal Energy Regulatory Commission (FERC) about safety. There are a number of sinkholes in the dike that were noticed and there are portions where the dirt erodes away. FERC raised questions about the long-term fixes for the dike. Staff is working with FERC dam safety and an analysis and study to know what the water levels are and mitigation alternatives have been done. He explained that we could install a slurry wall down the middle. FERC questioned and had concerns with that approach and how to tie into the abutments and around the solid surfaces under the dike. We have a proposal to do a sheet pile wall around the dike which would provide protection. We are waiting on the final report from the consultant which we should get around the first of the year and we will pass it along to FERC. We hope to do the project next year. Discussion was held.

Bryant Kramer, District Power Production Manager reported the powerhouse roof seam project is a carryover to next year. The roof has slabs with expansion joints which get pulled apart and leak. We need to bring in a contractor to reseal the joints, have the existing material removed from the joints and add additional drainage to the drainage that is there. The labor market is volatile now with construction and the plan is to bid out the project in the spring. Discussion was held.

Bob Pebles, District Information Technology Manager/CIP Senior Manager reported on the SAN replacement project. He explained the SAN is a corporate District device that stores all the data we use in one location. The device was purchased in 2010 and we have found someone else to support the device. He hasn't seen any supply issues but that could change with the chip shortage. Discussion was held.

Mr. Nila provided a CNS project overview and reported we need an additional hub cabinet due to the Freedom Meadows area growth and during the Broadband Technology Opportunities Program fiber build project we could only build to the existing meters. An audit of all the fiber in that area will be done in early to late winter.

He reported handholes will be replaced and installed at the Bald Eagle development.

He reported a switch upgrade is needed at Diamond Lake. The switch has been there over 10 years and we need to upgrade between Cusick and Newport. Discussion was held.

Ms. Holderman provided a metering project review and reported the District has approximately 9,500 meters and uses an automated turtle meter to read the meters. The turtle technology is outdated and not supported and we are running out of them. Discussion was held.

Commissioner Knapp thanked the team for their hard work and efforts.

ACTION ITEMS:

- Damage Claim DC-RV-2021-1. Mr. Hodder provided the details. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Knapp to deny the damage claim in the total amount of \$1,830.39. The motion passed unanimously.
- Resolution No. 1451 – Extension of General Manager Employment Agreement. A motion was made by Commissioner Larson to adopt the resolution. He thanked Mr. Willenbrock for his dedication and service to the

District and Mr. Whitney for his work on this matter. Commissioner Onley seconded the motion. The motion passed unanimously.

- Surplus Bid Awards – Box Canyon Miscellaneous Items. Ms. Willner provided the details. A motion was made by Commissioner Onley and seconded by Commissioner Larson to award the bids to the highest bidders, as presented. The motion passed unanimously. Staff will proceed as appropriate.
- American Rescue Plan Act Subrecipient Agreement with Pend Oreille County. A motion was made by Commissioner Onley and seconded by Commissioner Larson to authorize the general manager to execute the agreement. The motion passed unanimously.
- Updates to Cost Allocation Plan. April Owen, District Director, Audit, Finance & Power Supply reported that the Plan lays out how costs are allocated to the District’s various systems. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the plan and policy. The motion passed unanimously.
- Declaration of Surplus Property – Information Technology Equipment. Mr. Pebles provided the details. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Onley to declare the equipment as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. Discussion was held. Mr. Pebles will contact all local schools to see if they are interested in the surplus items. The motion passed unanimously. Staff will proceed as appropriate.

Commissioner Knapp announced a 1-hour executive session on pending and/or potential litigation with Tyler Whitney, General Counsel present. If the executive session needs to be extended, he will rejoin this open session to publicly announce an extension. Following the executive session the Board will rejoin the open session to take any action or to adjourn the meeting. The next meeting is November 2, being held virtually via Microsoft Teams.

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 12:00 p.m. The Board returned to open session. No final action was taken.

Commissioner Knapp reported the next meeting is November 2, via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 12:01 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form