

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
August 18, 2020
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: Luke Smith, Member of the Public
Sheryl Miller, Member of the Public
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 July 21, 2020 meeting, July 28, 2020 special meeting, August 4, 2020 meeting, August 11, 2020 special meeting and today's agenda were reviewed.

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, August 18, 2020, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The minutes of July 21, 2020 meeting, July 28, 2020 special meeting, August 4, 2020 meeting, August 11, 2020 special meeting and the agenda for August 18, 2020.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 4665 through 4730 in the total amount of \$212,939.75; ACH payments in the total amount of \$249,080.55; Wire Transfers in the total amount of \$228,659.71; and ACH payroll transactions in the total amount of \$250,691.53 for the payroll ending July 31, 2020.

PRE-APPROVAL OF COMMISSIONER TRAVEL:

Discussion was held regarding the commissioner's September 2020 travel plans.

Commissioner Knapp will attend the September 1, 15 and 29 Board meetings, Washington Public Utility Districts Association (WPUDA) meetings on September 16 – 18, and a possible Energy Northwest meeting on September 23. All the meetings will be held virtually.

Commissioner Larson will attend the September 1, 15 and 29 Board meetings, an Economic Development Council (EDC) meeting on September 16, a Tri-County Economic Development District meeting on September 23, and EDC small working group meetings on September 1 or 3. All the meetings will be held virtually.

Commissioner Onley will attend the September 1, 15 and 29 Board meetings, a Northwest Public Power Association Annual meeting on September 10, and WPUDA meetings on September 16 - 18. All of the meetings will be held virtually. Discussion was held.

ACTION ITEM:

- Pre-Approval of Commissioner Travel for September 2020. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the commissioner travel for September. The motion passed unanimously.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager reported we are continuing our efforts to keep everyone safe in the midst of the coronavirus. He provided a status update and reported at last count there were 49 confirmed positive cases in Pend Oreille County. As of this morning in the Greater Spokane County cases have also plateaued. They are continuing to see confirmed cases but not as many. Local schools have been making decisions on bringing students back either virtually or through an online learning program, which the Newport School District has chosen. We are continuing with our daily symptom check in stations, wearing wristbands and taking temperatures.

He reported on the California rolling blackouts. Discussion was held on how to balance intermittent resources without sufficient overall generation capacity. He provided the details and reported notices went out to customers on what they can do to help alleviate the situation. He reported market prices were high on Saturday and we were able to take advantage of these high price events. Increased capacity needs will be discussed and new market fundamentals will need to be considered. It is important the Bonneville Power Administration (BPA) continues to lead in this regard. We will look to BPA to set the tone in going forward. He and Chad Jensen, CEO of Inland Power & Light will meet virtually with Congresswoman Cathy McMorris Rodgers later this week to discuss further.

He attended a Northwest Open Access Network (NoaNet) Board meeting last week where there was discussion on a municipal bond consultant. NoaNet has been asked to come up with a strategic plan for future financing. He provided an overview on the financing options. Discussion was held.

He reported the Electric Utility Wildfire Task Force that the Department of Natural Resources created has put together a work plan to guide more efficient wildfire prevention. He provided an overview of the recommendations and reported that Amber Gifford, District Communications, Contracts & Conservation Manager and David Hodder, District Engineering Manager are working with a consultant on updating our vegetation management plan and adding a scope of work for wildfire mitigation. Discussion was held.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported on complacency regarding COVID-19 and symptom check in stations. He reported on an issue at Box Canyon where a crane had a wrong cable. This issue was discovered by a routine annual inspection. This was a positive situation where the employees following our regular processes did not become complacent. He emphasized the importance in knowing that complacency can be dangerous and not to lose focus on the necessary steps that need to be followed. Discussion was held.

CUSTOMER SPOTLIGHT:

Mr. Willenbrock reported that due to recent cost cuts Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning is resuming supervisory oversight of customer service. He thanked the customer service representatives for their patience and efforts while we go through this transition. He provided an overview of the customer collection accounts and the tremendous efforts by the customer service team who continue to be graceful under pressure.

He provided an operations update and reported there was an influx of tree removal service orders due to recent high winds. Crews switched our system from the Pine Street Substation to the Diamond Lake Substation and last week the Diamond Lake Substation

was energized. Crews and staff are continuing to keep up with the number of line and fiber extensions.

He reported there has been a suggestion for the Customer Connect newsletter to no longer be printed in hard copy and to only be done electronically. Customers respond more to the online version and there is a cost for printing and mailing.

Commissioner Onley inquired about the current customer past due amounts and average monthly bill amounts..

Commissioner Larson inquired if there is a way to see the increased number of people who log in to our website to view the Customer Connect newsletter. Mr. Willenbrock will work with staff to provide the number and he commended Ms. Gifford for the great content in the newsletter.

Commissioner Knapp inquired about the total number of fiber connections. Mr. Willenbrock reported the number is roughly 2,600.

COMMISSION REPORT:

Commissioner Knapp had conversations with customers on fiber funding available for parents teaching children online and if wireless hotspots were available. Mr. Willenbrock was not aware of direct subsidies for customers but will research and will also see if we can look at reducing or subsidizing the cost of the fiber electronics. Discussion was held.

Robert Fritz, Community Network System (CNS) Supervisor reported the wireless hotspots equipment is still in place and crews could reactivate the hotspots. Commissioner Onley noted his support of the reactivation. Commissioner Larson inquired about the usage at the locations.

Commissioner Knapp inquired if we could use the Neighbors in Need funds for customer fiber needs.

Commissioner Larson attended a virtual NoaNet Board meeting on August 12.

Commissioner Onley attended a virtual broadband action team meeting on August 7 and reported this effort was directed by the Washington State University extension office. He provided an overview.

Commissioner Knapp received and appreciated a call from Phyllis Kardos, member of the public.

COMMISSION BUSINESS:

Commissioner Onley will attend the virtual meetings in September as previously mentioned.

Commissioner Larson will attend a virtual EDC meeting tomorrow.

Commissioner Knapp will attend Energy Northwest meetings on August 26 – 28 in Alderbrook. He explained that Energy Northwest picks up all the expenses and this is an in-person meeting at a more remote location with less people but it could change to a virtual meeting.

MANAGEMENT REPORT:

Tyler Whitney, General Counsel & Assistant General Manager:

He reported the District had submitted the Amended Settlement Agreement to the Federal Energy Regulatory Commission (FERC) for the upstream and downstream fish models. The license amendment has been pending with FERC for over a year and was extended to early July or August. We received the biological opinion which was sent to FERC.

Deadlines are coming up that require us to finish the engineering work at Calispell Creek and Box Canyon. We received multiple extensions that FERC supported and we will submit extension requests for those projects.

He provided an upstream fish passage update and reported the contractor is closing in on substantial completion and wants to do a final walk through with the engineer of record. They are getting close to turning the project over to us for final commissioning and final punch list work.

BUSINESS FROM THE PUBLIC:

There was no business from the public.

MANAGEMENT REPORT (continued):

Tyler Whitney, General Counsel & Assistant General Manager (continued):

He reported the October Customer Connect newsletter design function process will be brought in house.

Tim McMaster, Power Production Manager:

He provided an overview on operations and maintenance items and reported the river flows are 15,000 cubic feet per second with three units running. There are a few minor items being addressed and staff is cleaning the area around the generator. Turbine unit #4 will have an outage for rotor maintenance. Crews are doing a lower pump unit inspection at the Cusick pumping plant. The caisson will be floated out to the Box Canyon Dam spillway and then an inspection will be done.

He provided a regulatory update and reported core sampling at the Cusick dike pump station was completed. The 5-year Sullivan Creek FERC Part 12 inspection and analysis was completed and a draft report is in circulation. Staff is preparing for the 5-year Box Canyon FERC Part 12 inspection which will take place the first week in September then the Potential Failure Modes Analysis will be done during the third week in October for engineering. Park benches for Campbell Park are arriving this week. He is assisting Scott Jungblom, District Natural Resources Manager on the bridge cranes at the fish sorting facility.

Commissioner Knapp inquired about the Campbell Park campsites usage. Discussion was held.

Scott Jungblom, Natural Resources Manager:

He provided an update on the Trout Habitat Restoration Program management plan and reported monitoring for this year was completed. This is done on 1-year and 3-year intervals. Physical inspections on the Smalle Creek sub-basin wood replacement and revegetation was done. They may need to add large wood next year and will check with the committees. The prep work and permitting for Upper LeClerc Creek was done and implementation will take place next year. The Kalispel Tribe of Indians received a grant to do the sub-basin assessment work.

He provided an update on the Wildlife Management Plan and reported Syd Maurer, District Wildlife & Habitat Specialist is picking up many tasks and will continue to water plants during the dry season and will continue with the Ponderosa Pine plantings. Spraying and weeding under the plan was completed and cultural activities are being coordinated.

He provided a water quality update and reported on the Usk Bridge monitoring devices work. The non-essential work for the recreational plan was scaled back but we still have obligations for the recreation sites that are currently under way. The 6-year recreation survey was postponed due to COVID-19. He is getting up to speed on the Shoreline and Erosion Protection plans.

He provided a fish passage update and reported staff had beneficial bio-mark training for data recording on the fish tags. Seven different antenna on the fish ladder are set up and staff is preparing for the startup on the fish ladder monitoring which should be operational by spring.

Commissioner Knapp inquired about the Indian Creek project with the Kalispel Tribe of Indians and BPA. Mr. Jungblom was not aware of the current status but will get an update.

Mr. Whitney reported the Kalispel Tribe of Indians is able to do the sub-basin assessment work through their grant.

Mark Scott, Water Systems Manager:

He reported the Riverbend Water System arsenic treatment project was rebid and will close on August 25. Construction will occur for 6 - 8 weeks.

He reported the Sunvale Acres Water System replacement of underground water mains project is currently in the distribution design phase and will be bid in mid-September.

He reported the Metaline Falls Water System distribution main replacement project survey work and locating pipes for drawings will be done next week. The project will go to bid later in the fall or early next spring.

He reported staff is clearing out sediment behind the North Fork Dam.

Commissioner Larson inquired if the Sunvale Acres project will be done before the snow flies. Mr. Scott reported they should be able to get the project done this fall or early winter.

Mr. Willenbrock reported the State has only given three emergency COVID-19 grants. He reported Mr. Scott sent information to him on community development block grants available for counties. We were successful in receiving a childcare grant for the facility acquisition feasibility and business planning. We were successful in a north county broadband feasibility study grant. Commissioner Larson inquired about the status of the north county feasibility study. The consultant and Ms. Holderman will provide a summary of the study to the Board at the September 1 Board meeting.

David Hodder, Engineering Manager:

He reported the Pine Street battery upgrade project should be complete this week. He reported new revenue meters are being installed at the Metaline Falls Substation. Staff is doing preliminary work for McCloud Creek. Staff will continue with staking and maintenance projects.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He reported staff is evaluating the network and storage systems to look for efficiencies. They are cleaning up the spare or stale tags on the Supervisory Control and Data Acquisition (SCADA) and Pi systems and will include a SCADA module in September. Mapwise is nearing the hand off phase of implementation to support. He was recently approached by the State to provide our Mapwise to the State's outage system. Commissioner Onley inquired if a Mapwise presentation will be given to the Board. Mr. Pebles responded that a presentation can be provided. Mr. Willenbrock reported the outage management system is incredibly useful to customers and crews to save time and keep us safe. He commended Mr. Pebles and his team for doing a good job.

Robert Fritz, Community Network System (CNS) Supervisor:

He is reviewing the north county broadband feasibility study documents with the contractor. Staff is busy with fiber extensions and have received 200 customer requests for fiber so far this year. He reported it is good to see that customers who have had fiber

built to their house are finally seeing a real need and use from the service connections. The CNS department is getting good support from the line crews as the numbers are increasing and there is still a lot of interest in the fiber. Commissioner Onley inquired if the contractor was able to use flexsnap. Mr. Fritz reported the contractor was able to use it.

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

She reported that with the California rolling blackouts we have seen market price increases to \$195 per megawatt for selling Box Canyon Dam power. The average per month is in the \$25 - \$30 range which is a significant increase. It was \$106 per megawatt yesterday and will be \$110 per megawatt tomorrow which is nice to see when we are long and are selling power.

She is working with Moody's Rating Agency on reviewing the District's financials and in looking at our rating. Moody's is scheduled to go to committee tomorrow and we should have their rating results on Thursday. She is hopeful we will have our rating increased.

She followed up from an earlier conversation and confirmed there are currently 2,600 CNS fiber customers. The customer number was up by 35 at the end of June. She reported the average customer monthly bill is \$106. The total average including the current billing is \$185.

Mr. Willenbrock commended Ms. Owen for doing a great job in getting the information to the analysts and working with the rating agencies. Mr. Whitney commended Ms. Owen on getting Moody's some last minute information late last night and explained that it takes a lot of work and focus in getting the correct information to them.

John Bricher, Finance Manager:

He is busy working with Ms. Owen and Ms. Holderman in finance and he's been working with Megan Malone, District Accounts Payable Analyst. He reported invoice batching has increased to twice a week and they are working on tightening vendor controls to mitigate the risk of fraud and have a new procedure in place. He is exploring an expense reporting option in our iVUE system. He is working with Destini Parker, District Payroll/Benefits Coordinator in transitioning the Central Washington Public Utilities (CWPU) billing which we will take over in early September. Commissioner Larson inquired on why we are taking it over. Mr. Bricher reported Franklin County PUD was ready to hand it over to someone else. Mr. Willenbrock reported he is the CWPU Chairman and it was our turn.

Suzie Thompson, Human Resources Manager:

She has been assisting departments and updating job descriptions during this staff transitioning phase. She is working with the affected employees to get Cobra information to them. She is answering some COVID-19 questions for staff regarding the available benefits.

She is working on the employee benefits open enrollment process.

She reported the summer student helper program ended on August 7. It was a successful program and she shared comments from them on how their summer work will help them in their careers going forward.

Amber Gifford, Communications, Contracts & Conservation Manager:

She provided a communications update and reported she is focusing getting rate and education material out to customers. The September newsletter will focus on rates. She is also keeping the Ponderay Newsprint Company (PNC) page on our website updated. She is working on communication strategies for the electric vehicle charging station implementation. She is looking at options and ideas for Public Power Week which is October 4 – 10.

She provided a contracts update and reported there are currently three request for proposals open with one regarding cleaning closing today. The other two are for an Underground Conductor Replacement project and Riverview Shores Water System Arsenic Treatment System.

She provided an energy conservation update and reported on the residential side four clothes washers and 11 ductless heat pump rebates were submitted and we have spent roughly \$250,000 of our \$400,000 budget through BPA. Some projects are on hold due to the PNC closure but she is seeing good activity.

Adam Wiltse, Safety Manager:

He reported training needs were identified for all job descriptions and staff is doing online trainings. He has over 100 trainings that have been completed. He provided supervisors training on how to use the online training module. He is getting ready to do respirator fit testing. He is looking at a safety and health investment program grant for funding on employee information related to COVID-19 as well as other safety materials.

Commissioner Knapp asked for an update on the customer fiber at Horseshoe Lake. Mr. Willenbrock reported staff contacted the customer and it was determined that the customer was outside of the federal project boundary area. Discussion was held.

ACTION ITEMS (continued):

- 2020 Pole Attachment License Agreement. Mr. Whitney provided the details and reported staff has updated the agreement. The agreement is for a 5-year term. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the contract and authorize the general manager to execute this agreement and all other pole attachment agreements in substantially the same format as presented to all the pole attachers. The motion passed unanimously.

There being no further discussion to come before the Board, the meeting adjourned at 11:21 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form