

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
January 19, 2021
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: Sheryl Miller, Member of the Public
Gretchen Koenig, Member of the Public
David Lindsey, Member of the Public
Allen Green, 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 January 5, 2021 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, January 19, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The minutes of January 5, 2021 meeting and the agenda for January 19, 2021.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 5271 through 5332 in the total amount of \$357,811.06; ACH payments in the total amount of \$530,999.91; Wire Transfers in the total amount of \$312,092.78; and ACH payroll transactions in the total amount of \$316,848.87 for the payroll ending December 31, 2020.

PRE-APPROVAL OF COMMISSIONER TRAVEL:

Commissioner Knapp will attend a virtual Seattle City Light (SCL) mediation on February 11 and virtual Washington Public Utility Districts Association (WPUDA) meetings on February 17 – 19.

Commissioner Larson will attend a virtual Economic Development Council (EDC) meeting tomorrow, a virtual North Pend Oreille County Chamber of Commerce meeting on February 1, and a virtual Tri-County Economic Development District (TEDD) meeting on February 24.

BOARD WORKSHOP:

Commissioner Knapp asked if Commissioners Onley or Larson had any topics for discussion. Commissioner Knapp would like updates on the off-license agreement, the easement with the Port, the electric vehicle charging station, and the Ponderay Newsprint Company (PNC) site.

Colin Willenbrock, District General Manager reported the easement expired at the end of 2020 and we are continuing negotiations with the Port. The Port has assigned their ownership rights and negotiations rights to a third party. The company is TerraPact, a third party right-of-way railroad management company based in Boston, Massachusetts.

He reported the off-license agreement is currently still under review and we anticipate approval early this year pending.

He reported we have not received any updated news on the PNC site.

Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning reported we turned the EV charging station back on last week and we haven't had any icing issues with the warmer weather. We will continue to work with the company on solutions to the icing issues. Discussion was held.

Mr. Willenbrock reported on the January 13 windstorm. All crews were brought in with the mission to get all service restored as soon as possible. The crews had almost all customers restored by Saturday evening. Commissioner Onley inquired how the fiber was impacted in the windstorm. Mr. Willenbrock reported the fiber crews were able to restore it along with the power lines.

Mr. Willenbrock provided an update on our modified operations and COVID-19.

He reported that he will testify today in support of a senate bill to create a utility advisory committee to coordinate with DNR on wildfire mitigation and investigations.

He reported on the power sale agreement with Shell.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported there was a survey conducted by Department of Health Services in partnership with OSHA and the United Kingdom. He provided a survey results overview and an overview of what the District is doing to protect its employees. The survey sheds a light on employees feeling that COVID is a big deal and a real risk. Commissioner Knapp thanked Mr. Wiltse for what he's doing to keep us informed and safe.

CUSTOMER SPOTLIGHT:

Ms. Holderman reported the customer service department has received a number of customer appreciations for our crews and customer service representatives for getting power restored following the recent windstorm. She received an anonymous donation with a request to apply payments to five customers in need.

Amber Gifford, District Communications, Contracts & Conservation Manager reported February 1 is a rollout of a smart thermostat program with information going out to customers to receive a \$100 energy rebate for particular thermostats. Discussion was held. Commissioner Knapp thanked Ms. Gifford for her outage updates on Facebook and our website.

COMMISSION REPORT:

Commissioner Knapp attended virtual WPUDA meetings on January 13 – 15 and provided an overview. He spoke with Sonya Scaufaire, owner of the Selkirk Sun regarding the next Broadband Action Team (BAT) meeting to invite George Caan, WPUDA Executive Director and Scott Richardson, WPUDA to discuss some broadband funding opportunities. He had a few customer phone calls regarding outages and the safety of our facilities and dam. He has been working on our Governance policy and review of the general manager and commissioners.

Commissioner Larson attended a virtual WPUDA new commissioner training on January 13 and reported it is always a good review. He sat in on a virtual Energy committee meeting and a BAT meeting on January 14 and provided an overview of the upcoming planning commission meeting.

Commissioner Onley attended the virtual WPUDA meetings on January 13 – 15 including the new commissioner training, which he reported is a good review and training

and the Telecom and Energy Committee meetings and the Board of Directors meeting. He provided an overview.

COMMISSION BUSINESS:

Commissioner Knapp will attend a WPUA legislative bill teleconference on Thursday, a virtual Energy Northwest meeting on January 21 and he will be traveling to the Tri-Cities on January 26 for an Energy Northwest Executive Board meeting on January 26 - 27.

Commissioner Larson will attend a virtual EDC meeting tomorrow, a virtual Northwest Open Access Network (NoaNet) luncheon on January 26, a virtual TEDD meeting on January 27, and a virtual BAT meeting on February 11.

Commissioner Onley will attend the WPUA legislative bill teleconference on Thursday and the virtual NoaNet luncheon on January 26.

ACTION ITEMS:

- Damage Claim DC-221954. A motion was made by Commissioner Larson to take staff recommendation to deny the claim. Commissioner Onley recused himself from the vote. The motion was seconded by Commissioner Knapp to deny the damage claim in the total amount of \$3,004.19. The motion passed with Commissioner Onley recusing.
- Resolution No. 1449 – Electronic Signatures Policy. Commissioner Knapp read a summary overview of the policy. Mr. Whitney reported this is a new District policy and it authorizes the District to use electronic signatures on documents through our Docu-Sign platform. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to adopt the resolution and approve the policy. The motion passed unanimously.

Following a 2-minute recess, the meeting resumed.

Commissioner Knapp asked staff to bring a favorite coffee or tea cup to the February 16 Board meeting and say why it is their favorite.

MANAGEMENT REPORT:

Tyler Whitney, General Counsel & Assistant General Manager:

He provided an off-license agreement update and reported the Federal Energy Regulatory Commission (FERC) staff let the District know last year that the review was completed and the order was to be issued by the end of September 2020. We have not receive the order. We received a call from FERC in December 2020 and they reported all the agencies approved and there were no interveners, but FERC lawyers said the review needed to go through a National Environmental Policy Act approval process. We are hoping to receive a final approval from FERC in the spring.

He reported an Open Public Meetings Act and Public Records Act training will be launched through our Target Solutions platform for the Board to complete virtually.

Tim McMaster, Power Production Manager:

He provided an operations and maintenance update and reported the river flows are currently 18,000 cfs and Albeni Falls Dam will drop them to 16,000 cfs today. The lake levels are still at winter levels. The turbine unit #3 guide bearing repair was completed and it is running well and staff is monitoring. Bearing repairs on the compressor were made. Staff is doing winter checks on the fish passage facility. Staff is continuing with the LED light change outs. Staff will start preparations for the bridge crane installation for the fish passage facility in the next few weeks. There was a transformer failure at the Calispell Powerhouse which staff is investigating.

He provided a regulatory update and reported all the annual FERC submittals have been completed. The Box Canyon and Sullivan Creek FERC Part 12 inspection reports were submitted. An internal review of the Box Canyon Emergency Action Plan was done and the action schedule and plan will be sent to FERC today. We were requested by FERC to perform a table top exercise at the Calispell Creek dike.

He provided a fish passage update and reported we should soon be receiving the free-standing bridge crane. We received the initial estimate for the point repair for the fish transfer and return pipes which is currently in review. He explained how the pipes work. The contractor submitted the latest as-built drawings and we are reviewing.

BUSINESS FROM THE PUBLIC:

Gretchen Koenig, member of the public asked for clarification on the Shell Energy agreement regarding the negotiation with the balancing authority that Mr. Willenbrock mentioned. Mr. Willenbrock explained..

David Lindsey and Allen Green, members of the public reported they want the District to change its current electric service policy and/or bylaws to allow the Eagles Point Landing RV site in Cusick to go from a multiple account payer to a single account payer system in order to avoid the basic charge and the disconnect/reconnect charge. Mr. Hodder reported he and staff have spoken with Mr. Lindsey. Discussion was held. Mr. Willenbrock will work with District staff and get back to Mr. Lindsey and Mr. Green. Commissioner Knapp thanked them for attending today's meeting and bringing this matter before the Board.

MANAGEMENT REPORT (continued):

Tim McMaster, Power Production Manager (continued):

Commissioner Onley inquired about the budgeted cost for the fish passage transfer and return pipes. Mr. Willenbrock reported we have worked with the engineer of record on the joints of the fish return pipe and the engineer believes we may be able to repair pipe for significantly less than originally estimated.

Commissioner Larson inquired about the Calispell Creek dike and the special use permit for the Sullivan Lake Mill Pond Dam site. Mr. Whitney explained that a report will be submitted to FERC once the final surrender license application is submitted.

Scott Jungblom, Natural Resources Manager:

He reported the annual bald eagle winter bird survey from Albeni Falls Dam to Box Canyon Dam was completed and resulted in a total count of 96 birds, 76 were mature and 20 were immature. This is the highest number we have had. Staff is working on annual management reports.

Mark Scott, Water Systems Manager:

He provided a Riverview Water System arsenic treatment project update and reported that the new water reservoir has been disinfected and staff is preparing to put the reservoir online and start the plant on January 25. The project is about complete.

He reported there was an issue with the Metaline Falls Water System recycling tank which was taken down, fixed and put back online.

He reported milfoil will be cut this week at Alaska Lane and Blue Slide, weather permitting. He explained it is a challenge for staffing given the COVID situation.

Kevin Conway, Director, Compliance, Engineering, Safety & Technology:

He reported the focus has been on reporting for the North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC).

He reported the District is dealing with COVID-19 on a daily basis and we stay in touch with the Department of Health and Newport Hospital. The electrical workers may get phased in with phase 1B tier 1 and 4 groups for vaccinations and staff is working on this.

He reported there was a security breach with Solar Winds IT management software and the District received a NERC alert.

He provided a supply management low impact facilities team update and reported there is not a lot of movement but last week comments were addressed. The next step is for the comments to go to the standards committee.

David Hodder, Engineering Manager:

He provided an engineering update and reported staff is working on high density loads. He is working to schedule projects for this year based on scheduling approvals. The Bonneville Power Administration (BPA) asked the District to do station upgrades at the Sacheen Lake substation. Staff is working on the energy imbalance market project with Avista. The pole test and treat program is finished and the fire management meetings are on hold due to COVID. Staff is working to manage this project with the Milsoft Windmill analysis software. Batteries were ordered for meter change outs.

He is talking with people who can replace the Calispell Powerhouse transformer. The lead time is 6 – 12 months as this is not a standard transformer.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He reported the Information Technology (IT) staff finished the data transfer between the Pi and SCADA systems. This will provide an ability to use the data supplied to the District to meet our operational goals. Staff is working on network upgrades to the SCADA system and doing meter upgrades. Staff will take on a security initiative this year to look at new ways on how security data is moving through the system. Staff is addressing any IT issues as they come up.

Angie Hall, Regulatory Compliance Analyst:

She is working on NERC and WECC quarterly and annual reporting. She reported the 2020 reporting is complete and up to date.

Frank Pisano, Network Supervisor:

He commended Mr. Pebles for his leadership and because of it, the IT department is in a good position to assist employees who are working remotely.

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

She provided a power supply update and reported staff is implementing the District's new deal with Shell Energy and is receiving a lot of daily and hourly data. Staff is updating the tracking sheets and billing calculations. She expressed her appreciation of the team's work on this project.

She provided a finance update and reported staff is doing year-end items. Moss Adams will be doing an audit on February 1 and staff is busy closing books and preparing the year-end 1099's and W-2's. Due to COVID the audit will be held off site with the use of electronic files.

She reported the state sales tax rate has changed from 7.6% to 7.7%. She reported John Bricher, District Finance Manager has gone through 535 work orders to see if they need to be closed if they are complete and or if they need to remain open. She commended him for doing a great job.

Sarah Holderman, Director, Treasury, Broadband & Strategic Planning:

She provided a Community Network System update and reported staff is working on fiber line extensions and more applications are being submitted. They are caught up with the current extensions.

She reported the customer service and metering staff are working in the office but are social distancing. They are receiving several high density load inquiries.

Suzie Thompson, Human Resources Manager:

She reported Destini Parker, District Payroll/Benefits Coordinator is working on year-end payroll reporting. Employee W2s are coming out shortly. An employee benefits review is being done with the Department of Retirement Services. She is working on union employee items.

Destini Parker, Payroll/Benefits Coordinator:

She reported this is payroll week and it is a busy time of the year. Mr. Willenbrock complimented Ms. Parker for her work on the employee 451 and 457 plan documents and for her being a great member of the team.

Amber Gifford, Communications, Contracts & Conservation Manager:

She provided a customer communications update and reported she is focusing the February Customer Connect on the Shell Energy transaction on what it involves and how it impacts us. She reported the thermostats rebate program will use our BPA conservation funds through September 1 and then we will use other funds in managing the program.

She reported the contracts process is going well and we continue to use ProcureWare. The electrical worker qualifications process is being completed.

She reported the county recently upgraded its LED lighting.

Mr. Willenbrock reported Ms. Gifford has great ideas for using our BPA conservation funds now that PNC has closed. There are a lot of unique opportunities. Discussion was held.

Adam Wiltse, Safety Manager:

He reported the incident reporting procedure for damage is out for review with the safety steering committee. The safety incentive plan will be reviewed. He is getting ready to submit our OSHA reporting log. He reported there was a name change to Governor Inslee's Safe Start program which is now called Healthy Washington – Roadmap to Recovery. He expects new guidance to come out for us to follow under the new plan. The safety training calendar is ready for the safety steering committee's review.

Commissioner Knapp inquired if there was any further questions for staff. There were no questions. He announced that the Board would go into executive session to review the performance of a public employee, not to last past 1:00 p.m., and once the executive session is over he will rejoin this meeting. He reported the next meeting is February 2 as a virtual one via Microsoft Teams.

Discussion was held to change the Board agenda's wording to "Pre-Approval of Commission Travel or Meeting Attendance" since the Board is not traveling due to COVID.

EXECUTIVE SESSION – REVIEW OF A PUBLIC EMPLOYEE:

A 2-hour executive session on a review of a public employee commenced at 11:15 a.m. The following were in attendance: Board of Commissioners; and Colin Willenbrock,

General Manager. The executive session adjourned at 12:55 p.m. The Board returned to open session. No final action was taken.

There being no further discussion to come before the Board, the meeting adjourned at 12:56 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form