

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
December 3, 2024
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Joseph B. Onley, President
David W. Rick, Vice President
Curtis J. Knapp, Secretary

Staff Present: John Janney, General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: Troy Moody, Commissioner-Elect
Gretchen Koenig, Member of the Public, virtual
Abby Gribi, City of Newport Administrator
Laura Verity, Merkle Standard

The meeting was called to order at 8:30 a.m. by Joseph B. Onley, President. He requested an executive session to review the performance of a public employee at the end of today's meeting.

BOARD WORKSHOP:

Commissioner Onley reported this is the first year that staff is working a 4/10's work schedule. In the past the Board shows its appreciation and gratitude to staff by having an early release on Christmas Eve at 2:00 p.m. He proposed an early release on New Year's Eve at 2:00 p.m. too. Discussion was held.

ACTION ITEM:

- Early Release on December 24 and 31, 2024. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to have an early release at 2:00 p.m. on December 24 and 31, 2024. The motion passed. Commissioner Knapp was opposed.

APPROVAL OF CONSENT AGENDA:

The minutes from the November 19, 2024 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, December 3, 2024, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Rick approved the following:

- The revised agenda for December 3, 2024 meeting and the minutes of the November 19, 2024 meeting, as amended.
- 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. 9936 through 9992 in the total amount of \$514,824.45; ACH payments in the total amount of \$519,887.73; Wire transfers in the total amount of \$654,738.92; and ACH payroll transactions in the total amount of \$267,056.92 for the payroll ending November 15, 2024.

The motion passed unanimously.

GENERAL MANAGER REPORT:

John Janney, District General Manager, provided an attendance overview of our recent Public Meetings for our 10-Year Financial Forecast. He reported another meeting will be held tonight at the Cusick City Council meeting, on December 10 at the Metaline Falls City Council meeting, and on December 16 at the Newport City Council meeting. He commented that it's great to have staff attending and it's a great opportunity to get the information out to the public.

He reviewed the future Board meeting topics schedule.

Commissioner Onley applauded Mr. Janney for reaching out approximately 10 times to the public and for giving great analogies during his presentation. He thanked Joe Hathaway, District Public Information Officer, for his help and April Owen, District Director of Finance, for her information and attendance and Sarah Holderman, District Director of Customer Services, for her information and attendance.

Mr. Janney reported we are evaluating the Broadband Equity Access and Deployment Grant Program footprint, the application deadline is January 31, 2025, and the Northwest Open Access Network has been helpful assisting us with our application process.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported there is an increase of ladder injuries and accidents around the holidays. He reviewed Labor and Industries Top 10 Tips for Safe Ladder Use and the importance of maintaining three points of contact when using a ladder.

CUSTOMER SPOTLIGHT:

Shannon Johnston, District Customer Service Supervisor, reported the 2025 PUD Calendars have arrived and we received over 250 photo submissions. She thanked

Michelle Nedved, Miner Publisher, for her help in organizing and printing the calendars. She reported the calendars are ready for distribution.

PUBLIC HEARING – PROPOSED YEAR 2025 WATER SYSTEM RATE ADJUSTMENTS:

Pursuant to notice given to the Newport Miner, a Public Hearing to discuss the Proposed Year 2025 Water System Rate Adjustments was held at 9:00 a.m. There were five members of the public in attendance.

Ms. Holderman reported the Board sets the rates based on staff and customer recommendations. There is no action today and she will ask for Board action at the December 17 meeting. She reported staff held virtual Annual Water System meetings on November 4 and 5. She reviewed each water systems' current monthly rates, revenues, expenses, cash balances, and customer counts. She proposed the following water systems monthly rate increases for 2025: Granite Sacheen \$3, Greenridge \$10.50, Holiday Shores \$3, Lazy Acres \$8, Riverbend \$5, Riverview \$15, Sunvale \$10, and Metaline Falls \$4.50. There is no proposed water rate adjustment for the Sandy Shores Water System. Discussion was held.

Commissioner Onley thanked Ms. Holderman for her presentation and liked how the virtual water system meetings were structured. Commissioners Rick and Knapp thanked Ms. Holderman for her presentation.

Commissioner Onley asked if the public had any questions or comments. There were no questions or comments.

The public hearing ended at 9:21 a.m.

INTEGRATED RESOURCE PLAN PRESENTATION:

Ben Hall, District Energy Resources Manager, reported that due to the quantity of information he will provide the Integrated Resource Plan (IRP) Presentation Part 1 today and will provide Part 2 on December 17. He is requesting feedback and explained this plan looks forward for 21 years and the 21st year (2045) is the final phase of the Clean Energy Transformation Act (CETA). He reported that state law requires that we file a Utility Resource Plan (URP) every two years; however, the URP is very basic and does not provide much value to the District. An IRP is a more in-depth process that will better fit the needs of the District. Mr. Janney reported our portfolio is as or more complex as large utilities and even though we're not required to do a full IRP (have less than 25,000 customers) it is well worth doing it.

Mr. Hall reported it is important for us to use this plan as part of our strategic planning tool for the future given the changes that we are seeing in the industry. He reviewed the CETA and Climate Commitment Act regulations, electric vehicle mandates, dynamic market conditions, energy resource portfolio changes, and data and baselines for future

planning. He explained the process and inputs that go into the development of the IRP. He reviewed the existing resources of Box Canyon, Boundary, Albeni Falls, Calispell Power House, Bonneville Power Administration, Balancing Authority Agreement with Avista, and various market trading partners. He provided an overview on the baseline load forecast, growth rates and peak loads both with and without electric vehicle load.

Following a short recess, the meeting resumed.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Mr. Janney introduced Abby Gribi, City of Newport Administrator, and commended her for being very helpful to him since he started here at the District. Ms. Gribi thanked Mr. Janney for being exceptional to work with.

Laura Verity, Merkle Standard, reported she is here to listen today.

Troy Moody, Commissioner-Elect, attended the District's Public Meeting on its 10-Year Financial Forecast in Cusick and wishes we could get more community to be connected and attend these meetings.

Gretchen Koenig, member of the public, referenced Mr. Hall's IRP presentation and wants the District to understand and keep in mind its load resources when CETA comes into play. She commended Mr. Hall for doing a great job.

Commissioner Onley thanked the public for their comments and for attending.

INTEGRATED RESOURCE PLAN PRESENTATION (continued):

Mr. Hall continued his presentation and reviewed commercial and industrial loads, historic peak demand levels, and price forecasts. He provided modeling exercises/graphs scenarios.

The Board thanked Mr. Hall for his presentation. Mr. Janney reported Mr. Hall has done a deep dive and a great job on our IRP. Discussion was held.

ACTION ITEM:

- Approval of Resolution No. 1490 – 2025 Budget. Ms. Holderman reported there are no changes to what was presented at the public budget hearing. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the resolution. The motion passed unanimously.

COMMISSION REPORT:

Commissioner Rick attended an Economic Development Advisory Committee meeting on November 20 at the Kalispel Tribe of Indians Camas Wellness Center. He provided an overview and thanked Ms. Verity for her work in looking for grants.

Commissioner Onley attended the District's Public Meeting on our 10-Year Financial Forecast on November 25 at the Cusick High School and commended Mr. Janney on his presentation.

COMMISSION BUSINESS:

Commissioner Knapp will attend Energy Northwest meetings on December 10 – 13 in Tri-Cities.

Commissioner Onley will attend the Pend Oreille County Representatives Workshop on December 11 here at the District.

Commissioner Rick will attend a Tri-County Economic Development District meeting on December 4 in Colville and the Pend Oreille County Representatives Workshop on December 11 here at the District.

Commissioner Onley announced a 30-minute executive session to review the performance of a public employee will begin at 10:35 a.m. 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 the Board will rejoin the open session to resume the meeting.

EXECUTIVE SESSION – REVIEW THE PERFORMANCE OF A PUBLIC EMPLOYEE:

A 30-minute executive session to review the performance of a public employee commenced at 10:35 a.m. The following were in attendance: Board of Commissioners. The executive session ended at 11:05 a.m. and the Board returned to open session. No final action was taken during the executive session.

Commissioner Knapp reported the Board would like to review Mr. Janney's salary at the December 17 or January 7 meeting with Katie Pfitzer, District Interim HR Manager, in attendance. He commended Mr. Janney for doing a great job. Discussion was held regarding the Washington Public Utility Districts Association General Manager Salary Matrix.

Commissioner Onley asked if there was any further business for the good of the order. There was none.

He reported the next meeting is scheduled for December 17, 2024, starting at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams. He adjourned the meeting at 11:07 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form