

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
August 30, 2022
BOX CANYON DAM, IONE, WA AND
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, virtual
Karen Willner, Clerk of the Board

Others: Dave Rick, Member of the Public
Monty Stahl, COO of Merkle Standard
Kelly Driver, Manager of Port of Pend Oreille
Andy Armantrout, Member of the Public
John Gentle, Pend Oreille County Commissioner
Jamie Wyrobek, Director of Economic Development Council
Sean Reagan, Member of the Public
Todd Behrend, CEO of Ponderay Industries
Gretchen Koenig, Member of the Public

The meeting was called to order at 9:00 a.m. by Curtis J. Knapp, President.

CONSENT AGENDA:

The minutes from the August 16, 2022 meeting, today's agenda, and the vouchers were reviewed.

As of this date, August 30, 2022, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The agenda for August 30, 2022, and the minutes of the August 16, 2022 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. 7201 through 7230 in the total amount of \$44,500.66; ACH payments in the total amount of \$487,526.86; Wire Transfers in the total amount of \$616,712.79; and ACH payroll transactions in the total amount of \$237,062.40 for the payroll ending August 15, 2022.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics of discussion for this or future workshops. Commissioner Onley requested an update on the frequency auction and inquired if Cascade Digital Mining, LLC will be making a September market purchase. Commissioner Knapp inquired if the District has any involvement in the Inflation Reduction Act.

Colin Willenbrock, District General Manager, responded to Commissioner Onley's frequency auction question and reported the District was not successful in the auction. Sarah Holderman, District Director of Customer Services, reported the auction closed yesterday and she doesn't have the numbers yet but should receive an update this week.

Mr. Willenbrock reported Cascade Digital Mining, LLC did not take additional electricity in August. He provided an overview of their September energy transactions. Discussion was held.

He is getting a lot of information regarding the Inflation Reduction Act and will continue to monitor it as it relates to infrastructure and Federal Emergency Management Agency funding.

He and Tyler Whitney, District General Counsel, will attend joint bargaining with the IBEW in Kennewick this week. He reported the current labor union contract expires in April 2023.

He reported Employee Safety Day will be held this Thursday and it is a chance to recognize staff for the safe work they do throughout the year. Employees will also receive service and core value awards.

He will attend a virtual Pacific Northwest Utilities Conference Committee (PNUCC) meeting on Friday.

He and staff had a good update call with Moody's and he provided an overview. Discussion was held.

He provided a Cowboy Park/Newport RV Park update and reported the project is going well and Mark Scott, District Water Systems Manager, is doing a great job in managing the project. Curbing will be installed and hydro seed will be sprayed at the beginning of September. Staff is coordinating with the City of Newport. Discussion was held.

There is a new broadband data collection requirement from the Federal Trade Commission requesting information on our served and unserved community. Ms. Holderman and Bob Pebles, District Information Technology Manager/CIP Senior Manager, are working on our response.

He commended Amber Gifford, District Customer Service & Contracts Manager, and her team for our booth at the Pend Oreille County Fair. He commented the fair had a great turnout.

Bryant Kramer, District Director of Power Production, introduced Rodny Roberg, newly hired Hydro Operator and provided his background. The Board welcomed Mr. Roberg to the District.

Mr. Kramer introduced James Massey, District Hydro Operator and reported he is asking the Board for an education tuition reimbursement. Mr. Massey provided the details for the Bismarck State College AAS degree virtual program in Electrical Transmission Systems Technology. He is hoping to become a system operator and this will help to prepare him to take the North American Electric Reliability Corporation certification test. Discussion was held. Mr. Kramer and Mr. Willenbrock will discuss further. Mr. Massey thanked the Board for considering his request.

Mr. Kramer provided a production update and reported the river flows are 8,000 cfs and two turbine units are running. Turbine unit upgrades were previously completed and are successful. The fish ladder is working well. Staff is now maintaining the plant and facilities. He reported on other projects which included the Trimble Creek and Cusick pumping plants. He reported an Emergency Action Plan Functional Exercise with Boundary Dam will be done virtually. This is a 5-year exercise.

He provided an overview of his long-term thoughts for Box Canyon which included a beautification of Box Canyon, making the Visitors Center more public interactive, upgrading Campbell Park campsite, and using interpretive science similar to the Mill Pond site for more interaction with the public. Mr. Willenbrock noted the physical security component for Box Canyon and other locations the production staff is responsible to maintain.

Following a short recess, the meeting resumed.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Knapp reminded the public there is a 2-minute time limit for speaking and asked if there was any business or comments from the public.

Monty Stahl, COO of Merkle Standard, reported there was a press release that went out last night. He requested the Board and PUD to be active in this process. They are working on their request for a third load study to get 70 MW of additional power. Discussion was held regarding newspaper.

Kelly Driver, Manager of Port of Pend Oreille, commented this is a much needed opportunity and hopes the Board can be involved in the process.

Andy Armantrout, member of the public, congratulated Merkle Standard and wants the PUD to work with Ponderay.

John Gentle, Pend Oreille County Commissioner, commented this is a clear example of when people run with vision and take advantage of a lucrative opportunity. We are broadening our revenues and community base with new businesses in the county. Hopes we can all work together.

Jamie Wyrobek, Director of Economic Development Council, commented it is exciting to see the jobs that are coming back to the county and growing the infrastructure. She reported an impact study was done on the mill site.

Sean Reagan, member of the public, commented that he is a small business owner and this is a crucial component to promote business in the county.

Todd Behrend, CEO of Ponderay Industries, commented the newsprint market will soon pass and this is an opportunity now to get the site going.

Commissioner Larson inquired as to why they put out this press release indicating a fourth quarter mill restart when they haven't even applied for the BPA study. Mr. Stahl reported he thought it was doable and said he needed BPA to work with them.

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

Mr. Willenbrock reported staff received the press release last night and that the PUD has long been supportive of the mill reopening. He reported that staff will work on the process with BPA but also cautioned that such studies take time.

BOARD WORKSHOP (continued):

Mr. Kramer reported the Power Lake Powerhouse is 100 years old this year and work is needed at the facility. He reported the fish ladder will need continued maintenance and that another staff member may potentially be needed to help with that maintenance. He reported all the big projects are done and now the focus is on small maintenance projects.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported that local schools are starting this week and for people to watch for students walking and riding in buses. There will be more traffic and we will soon be losing daylight. He sent rules on driving around school buses to staff last week.

CUSTOMER SPOTLIGHT:

Commissioner Knapp thanked Ms. Gifford for her work on the District's fair booth.

Ms. Gifford provided a Neighbors in Need program update and reported we helped 76 customers and \$19,000 in assistance was given out. The account balance is approximately \$26,000 and \$4,000 in contributions was received. She noted other fundraisers are needed to increase contributions.

She provided an Employee Safety Day overview for Thursday.

Mr. Willenbrock reported we have a good program for helping customer arrearages and the assistance programs have been a success with thanks to the county and Rural Resources. Commissioner Larson thanked Mr. Gentle and the county for their COVID funds assistance.

ACTION ITEMS:

- Early Release for Employee Safety Day. Mr. Willenbrock provided an overview and reported the event will end at 1:00 p.m. A motion was made by Commissioner Onley and seconded by Commissioner Larson to have an early release for Employee Safety Day. The motion passed unanimously.
- Direction to Staff re: OPGW Replacement Project. Philip Roice, District Engineering Manager, reported we went out to bid on the project but bidders needed more time due to supply chain issues. We extended the bid deadline but didn't receive any bids. Mr. Willenbrock provided details. Mr. Whitney referenced RCW Title 54 where it authorizes PUDs to work with contractors and vendors to have work performed in lieu of re-advertising. Staff needs the Board's input and direction for the project. Discussion was held. Commissioner Onley wants the District to abandon the project and suggested stringing a fiber line from Cusick to have fiber optics as a backup. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to have staff work with the vendors and negotiate. The motion passed. Commissioner Onley was opposed. A contract will be brought before the Board for formal approval in the future.
- Approval of Employee Education/Training Reimbursement. No action was taken. Mr. Willenbrock will work with Mr. Kramer and Mr. Massey.

COMMISSION REPORT:

Commissioner Knapp attended the Pend Oreille County Fair on August 20 and had conversations with members of the public. He attended the Energy Northwest meetings on August 24 – 25 in Tri-Cities.

Commissioner Larson reported his scheduled meetings were canceled.

Commissioner Onley did not attend any meetings since the August 16 Board meeting.

COMMISSION BUSINESS:

The Board of Commissioners will attend the Employee Safety Day on September 1 at the Kalispel Tribe of Indians Camas Wellness Center in Cusick.

Commissioner Larson will attend a NoaNet Board meeting on September 14 in Spokane.

Commissioner Onley will attend a virtual Greater Newport Area Chamber of Commerce meeting on September 6 and a virtual PNUCC meeting on September 2.

- Pre-Approval of Commissioner Travel or Meeting Attendance for October. Commissioner Knapp will attend the PUD Board meetings on October 4 and 18 in Newport, a virtual WPUDA budget meeting on October 13, and Energy Northwest meetings on October 25 – 27 in Tri-Cities. Commissioner Larson will attend the PUD Board meetings on October 4 and 18 in Newport, a NoaNet Board meeting on October 12 in Spokane, and a Tri-County Economic Development

District meeting on October 26 in Colville. Commissioner Onley will attend the PUD Board meetings on October 4 and 18 in Newport, a virtual Greater Newport Area Chamber of Commerce meeting on October 4, and the Energy Northwest Member Forum in Tri-Cities. Ms. Willner will forward the meeting information to Commissioner Onley.

A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the October schedule. The motion passed unanimously.

Commissioner Onley referenced a Spokesman Review news article with Governor Jay Inslee and Senator Patty Murray regarding the Snake River dams and inquired about Mr. Willenbrock's thoughts. Mr. Willenbrock noted Kurt Miller, Executive Director of Northwest River Partners attended the August 2 meeting and reported this is a highly debated topic. We're cautiously optimistic and he noted our Federal Energy Regulatory Commission license requirements and our work with the Kalispel Tribe of Indians.

Discussion was held regarding salmon put in the Spokane River.

Mr. Willenbrock reminded the Board not to sit together or to discuss PUD business during the Board/staff lunch following this meeting.

Commissioner Knapp reported the next meeting is September 13 in the Newport Conference Room in Newport, and virtually via Microsoft Teams.

A Board and staff lunch will follow this meeting.

There being no further discussion to come before the Board, the meeting adjourned at 11:00 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form