

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
September 21, 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: Craig Nelsen, CEO of NoaNet

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 September 14, 2021 meeting, today's agenda, and the vouchers were reviewed.

As of this date, September 21, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The agenda for September 21, 2021, and the minutes of the September 14, 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. 6099 through 6121 in the total amount of \$29,737.13; ACH payments in the total amount of \$51,648.08; and Wire Transfers in the total amount of \$97,231.63.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Onley asked to have another discussion at a future meeting on the Box Canyon payment kiosk.

Colin Willenbrock, District General Manager began with new employee introductions.

Bryant Kramer, District Power Production Manager introduced Josh Bean and reported he is a newly hired Hydro Operator who started yesterday. He provided Mr. Bean's background information which included service in the Army. Commissioner Onley thanked and commended Mr. Bean for his service. The Board and Mr. Willenbrock welcomed Mr. Bean to the District.

David Hodder, District Engineering Manager introduced Paul Stewart and provided his background. He reported that Mr. Stewart started today and was hired as a Staking Engineer. The Board and Mr. Willenbrock welcomed Mr. Stewart to the District.

Mr. Willenbrock introduced Craig Nelsen, CEO of the Northwest Open Access Network (NoaNet). He reported we are a NoaNet member and that NoaNet has been an integral partner. Mr. Nelsen was recently appointed as the CEO and Mr. Willenbrock provided Mr. Nelsen's background.

Mr. Nelsen provided an overview of his job role and reported that NoaNet is in a healthy position and is making prudent decisions. He explained NoaNet's vision that it supports federal, local and state government, supports economic opportunities with local communities and has a sound buildout plan by working with public utility districts. Discussion was held.

Commissioner Knapp thanked Mr. Nelsen for attending today, for what he does and for reaching out. Mr. Nelsen thanked everyone and reported he is looking forward to working with the District more in the future. Mr. Willenbrock noted NoaNet's grant writing opportunities which allows the District to be competitive and he commended NoaNet for being a great partner. Mr. Nelsen left the meeting.

SAFETY SPOTLIGHT:

Kevin Conway, District Director, Compliance, Safety, Engineering & Technology reported tomorrow is the first day of fall and that it is getting darker earlier in the day and staying darker longer in the morning when people are driving from and to work. He explained the importance of being aware of students at school bus stops, wildlife crossing roads, ice and frost on roads and keeping windshields clean because of the sun glare.

Mr. Willenbrock reported with the recent rains, Chris Jones, District Director, Operations has instructed the crews to return the distribution system back to normal protection operations from the fire protection mode. Our coordination with the local fire departments and our vegetation management program has been working well.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning provided an energy assistance presentation. She reported the moratorium said we could not disconnect customers for non-payment. The moratorium is set to expire on September 30 and we are coming up with a plan on how to address the situation when the moratorium expires. She explained our billing cycle timeline and reported we bill on the last business day of each month and bills are due on the 20th of each month. When the moratorium ends we will do door hangers, make customer courtesy reminder calls before doing disconnects for non-payment. Discussion was held.

She reported the total arrearages as of the end of August were \$267,678 with 1,993 accounts. April Owen, District Director, Audit, Financial & Power Supply reported that at the end of July we had over 2,400 customers with over \$360,000 in arrearages and commended the customer service staff for doing a great job in working with our customers. Ms. Holderman reviewed the amount of Neighbors in Need (NIN) grant assistance we were awarded and reported we helped 81 customers and awarded over \$20,000 in 2020 and in 2021 through August we helped 50 customers and awarded over \$12,400. We also received CARES Act funds assistance in the amount of \$50,000 from the county which helped 92 customers with over \$38,000. She reviewed the energy assistance options for customers which included making payment arrangements, NIN program, CARES Act funding, Rural Resources with Low-Income Home Energy Assistance Program (LIHEAP), DSHS, Family Crisis/Crime Victim Services and Pend Oreille County Veteran's Assistance Program. Discussion was held. Commissioner Onley commended Ms. Holderman and the team. He requested a sample bill. Ms. Holderman will email a copy of our bill to the Board. She explained the contact plan and process going forward.

COMMISSION REPORT:

Commissioner Knapp met with Keith Campbell and Mr. Willenbrock on September 16. He attended a virtual Washington Public Utility Districts Association (WPUDA) Commissioners Education and Roundtable meeting on September 15, a virtual WPUDA Government Relations and Communications meeting on September 16 and a virtual WPUDA Board meeting on September 17. He provided an overview of the meetings. He met with a Newport Rodeo Association member regarding the Cowboy Park project last night. Discussion was held.

BUSINESS FROM THE PUBLIC:

Commissioner Knapp asked if there was any business from the public. There was no business from the public.

COMMISSION REPORT (continued):

Commissioner Larson reported he did not attend the Economic Development Council meeting on September 15.

Commissioner Onley attended a virtual WPUDA Commissioners Education and Roundtable meeting on September 15, and virtual WPUDA Telecom, Energy and Water Committee meetings on September 16. He provided an overview.

Commissioner Larson inquired about email from George Caan, WPUDA Executive Director regarding state-owned land access and COVID vaccinations. Discussion was held.

COMMISSION BUSINESS:

Commissioner Knapp will call into the October 5 meeting.

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

Commissioner Onley will attend a virtual WPUDA Water Workshop tomorrow and Thursday.

Following a 7-minute recess, the meeting resumed at 10:18 a.m.

MANAGEMENT REPORT:

Tyler Whitney, General Counsel & Assistant General Manager:

He reported a ribbon cutting ceremony for the Box Canyon Upstream Fish Passage facility will be held on October 21 at 11:00 a.m. at Box Canyon. We will send invites to the Board and a few stakeholders.

He and Scott Jungblom, District Natural Resources Manager met with the Forest Service to discuss the north end Sullivan Lake recreation area and the Great American Outdoors Act funding. The funding would be used for erosion control and expanding the camping areas. He reported historical education signs are being printed and will be installed by the Forest Service next year.

He is working with the City of Newport on the utility franchise agreement and is seeing some progress.

He is working with Mark Scott, District Water Systems Manager on the Newport Rodeo grounds project and reported that costs are coming in higher than expected. He will provide an update in October.

Suzie Thompson, Human Resources Manager:

She provided a recruiting update and reported there are a few internal changes. Lauren Naccarato was awarded the Community Network System (CNS) Fiber Staking Field Engineer job position, Laura Smith was awarded the Meter Reader I job position and Madie Groom was awarded the Administrative Assistant, Operations/Customer Service Representative III job position.

She reported Destini Parker, District Payroll/Benefits Coordinator is working on audits and compensation and benefits surveys. She has finished the Milliman survey.

She reported the District has been nominated for the Employment Security Department Hire a Vet program again this year.

Bryant Kramer, Power Production Manager:

He reported river flows are up to 19,000 cubic feet per second. Three turbine units are running and generating 55 average megawatts. They are drafting Sullivan Lake which is on schedule.

He reported crews are working on fish ladder operational and safety items. They will be doing work tomorrow on the braille lift.

He reported the Calispell Creek Dike and Sullivan Lake inspections are scheduled for this week.

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

She reported we went out for a request for proposal for audit services and Moss Adams was the successful bidder. She and staff will work with them to set up next year's audit. They will do some preliminary end-of-year work.

She provided a power supply update and reported she and staff are working with the Bonneville Power Administration (BPA) on net requirements. She received the official annual net requirement for an average 23.7 MW which is a shaped block product and applied each month. We are looking to receive 9 MW each hour in October, 42 MW in November, and 37 MW in December. This includes the Allrise load for the former Ponderay Newsprint Company (PNC) site. If the site is not operating we still receive the power since it is an annual allocation and we will need to forward sell excess District resources.

She reported the August financials are coming out soon.

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

She reported there is a lot of staff training going on and she is working on the recruiting process for two open customer service representative job positions. The application submittal deadline closes on Friday.

She reported the CNS dock crew is working and we have two crews working today to get caught up. Commissioner Larson inquired about the fiber customer hook ups lead time. Ms. Holderman reported we are 12 weeks out for paid customer installs.

She reported the District is applying for a Public Works Board broadband grant and the NoaNet grant writer is helping us. Applications are due October 1.

Mr. Willenbrock reported the Department of Natural Resources released the county burn ban and we will be reopening Campbell Park for overnight camping.

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

He is doing COVID contact tracing and routine drug and alcohol testing with Labor and Industries.

He reported dam safety inspections for the Cusick Dike, Box Canyon Dam and Sullivan Creek will start tomorrow and wrap up on Thursday.

He is working with BPA on compliance documentation for medium and low impact facilities classifications and we will be participating in a field test.

He reported we have a North American Electric Reliability Corporation standard on how to manage high risk coming out and we have a 45-day comment period.

He reported operations crews are taking off the non-reclosers and we are going back to the standard recloser status. There was high winds that caused some power outages over the weekend.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He reported staff is working on upgrading the Supervisory Control and Data Acquisition servers. They are also updating the operating systems on the servers. He welcomed back Rob Forbes, District Systems & Network Operations Technician.

David Hodder, Engineering Manager:

He and staff are continuing to work on big projects including the Diamond Lake tap redesign and a large loader feed design. He reported there were two high density load projects that came in and required front end upgrades. He reported there are long lead times, up to 33 weeks for equipment and parts.

He reported electric line extensions are continuing to come in and he does not see any slowdown.

He reported modeling is ongoing and he is working with Allrise and BPA on the former PNC site.

Chris Jones, Director, Operations/Line Superintendent:

He reported electric and fiber line extensions are coming in all the time and crews are staying on track. They will have a bigger 3-phase extension project coming.

He received an email from Rick Hall, General Pacific vendor regarding lead times for materials and reported that quotes are only good for the close of business on the day of issue, so we only have eight hours. Material and equipment purchases are behind and expensive and we need to let people know about the inventory issues. He reported that inventory should be ok this year but next year we will have issues.

He reported the signs at the Newport Rodeo grounds will be taken down.

Commissioner Larson inquired about the sweeps for surplus. Mr. Jones reported they are sweeps without bells and no couplers on them so they are useless to us.

ACTION ITEMS:

- Material Procurement – Padmount Transformers. Mr. Whitney provided the details and reported we need to purchase these now due to the long lead times. We issued request for proposals for overhead and padmount transformers. A motion was made by Commissioner Larson and seconded by Commissioner Onley to authorize the general manager to execute the contract. The motion passed unanimously.
- Declaration of Surplus Property – Sweeps and Filing Cabinets. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Onley to declare the sweeps and filing cabinets as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. The District's sealed bid process will be used. The motion passed unanimously. Staff will proceed as appropriate.
- Declaration of Surplus Property – Fleet Asset #314 Polaris Ranger 4x4 and Picnic Tables. Mr. Kramer reported the Polaris Ranger has engine problems. Mr. Whitney reported the picnic tables were the old ones that were replaced. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Larson to declare the fleet asset and 12 picnic

tables as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. The District's sealed bid process will be used. The motion passed unanimously. Staff will proceed as appropriate.

Mr. Willenbrock reported he has a meeting conflict for the October 19 Board meeting and requested the meeting be moved to October 12 or 26. Discussion was held. The meeting will be moved to October 26. A motion was made by Commissioner Larson and seconded by Commissioner Onley to move the October 19 Board meeting to October 26. The motion passed unanimously.

Commissioner Knapp announced a 30-minute executive session on the continued review of the performance of a public employee and pending and/or potential litigation. Following the executive session the Board will rejoin the open session.

EXECUTIVE SESSION – REVIEW OF THE PERFORMANCE OF A PUBLIC EMPLOYEE AND PENDING AND/OR POTENTIAL LITIGATION:

A 30-minute executive session for a continued review of the performance of a public employee and pending and/or potential litigation commenced at 10:50 a.m. The following were in attendance: Board of Commissioners; and Tyler Whitney, General Counsel & Assistant General Manager. At 11:19 a.m., Commissioner Knapp rejoined the open session and announced the executive session would be extended for 30 minutes. Commissioner Onley left the executive session due to an appointment conflict. Colin Willenbrock, General Manager joined the executive session. The executive session adjourned at 11:51 a.m. The Board returned to open session. No final action was taken.

Commissioner Knapp announced the next meeting is October 5, being held virtually via Microsoft Teams. The following meeting will be held virtually via Microsoft Team on October 26.

There being no further discussion to come before the Board, the meeting adjourned at 11:52 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form