

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
November 7, 2023
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

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

Staff Present: April Owen, Co-Interim General Manager
Sarah Holderman, Co-Interim General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: Tyler Whitney, Cable Huston, LLP, virtual
Gretchen Koenig, Member of the Public

The meeting was called to order at 8:30 a.m. by Joseph B. Onley, Vice President.

BOARD WORKSHOP:

Discussion was held regarding the union contract, Northwest Open Access Network, the Legislative Luncheon meeting, Energy Northwest's small modular nuclear project, digital equity, and the Remote Work Policy.

APPROVAL OF CONSENT AGENDA:

The minutes from the October 31, 2023 meeting, today's agenda, and the vouchers were reviewed.

As of this date, November 7, 2023, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The agenda for November 7, 2023 meeting, and the minutes of the October 31, 2023 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. 8740 through 8773 in the total amount of \$48,558.20; ACH payments in the total amount of \$444,013.26; and Wire transfers in the total amount of \$40,859.59.

The motion passed unanimously.

GENERAL MANAGERS' UPDATE:

April Owen, District Co-Interim General Manager, attended the Public Power Council Annual meeting on November 2 in Portland and provided an overview. She attended the Legislative Luncheon meeting yesterday in Colville. She reported Bryant Kramer, District Director of Power Production, and Kevin Conway, District Director of Utility Services, are attending a Federal Energy Regulatory Commission dam safety audit today and tomorrow at Box Canyon.

BUDGET UPDATE:

Sarah Holderman, District Co-Interim General Manager, provided a 2024 draft budget presentation and reported the budget public hearing will be held at the November 21 meeting with a proposed budget approval by the Board at the December 5 meeting. She reviewed revenues, operation and maintenance costs, customer information costs,

administrative and general costs, protection, mitigation and enhancement costs, capital expenditures, and provided a summary. Discussion was held.

She provided a proposed electric rate adjustment. Discussion was held.

She provided a water system summary and proposed water rate adjustments. She reported each water system's annual meeting will be virtually held next week. Discussion was held.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, referenced Labor and Industry's infectious diseases rule and reported that we will be doing training for all employees on how to reduce the spread of infectious diseases.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, shared Halloween and fall festivities pictures from our internal SharePoint Hub site. Customer Service staff participated in the City of Newport's Downtown Trick-or-Treat event. Brandon Corkill, District Journeyman Lineman, and Tanner Williams, District Journeyman Lineman, participated in the Kalispel Tribe of Indians Trunk-or-Treat event and Jamie Dunn, District Administrative Assistant, Production, participated in the Metaline Monster Mash event. She reported there was a good turnout for all events and she thanked staff for participating.

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.

Gretchen Koenig, member of the public, asked for clarification on Fitch and Moody's credit rating and what they look at when evaluating the District. Discussion was held. Ms. Koenig asked for clarification on how rating agencies look at the District's insurance costs. Discussion was held.

Commissioner Onley thanked Ms. Koenig for attending and asking questions.

ACTION ITEMS:

- Bid Award – Sunvale Water System Improvements. Ms. Holderman reported this is for the distribution main pipe replacement project which will start in the spring. Discussion was held regarding the alternate bid to replace the meters at the same time and last year's bid summary. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to award the bid to the apparent low bidder, Interstate Concrete & Asphalt in the total amount of \$482,555.24. The motion passed unanimously.
- December Energy Transaction. Ben Hall, District Energy Resources Manager, reported we will be long in surplus energy for off-peak hours in December and offered the surplus power to Cascade Digital first per their electric service agreement. He is looking for a contingent approval to sell the surplus power on the open market in case Cascade does not accept. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the December energy transaction in substantially the same form as presented by staff. The motion passed unanimously.
- Resolution No. 1477 – Public Utility Regulatory Policies Act. Mr. Hall provided a powerpoint presentation on PURPA and reported there are two new standards regarding electric vehicles and demand response for the Board's consideration and determination. Staff recommendation is that adopting the two new standards

is not in the best interest of our customers or to further the objectives of PURPA. We received one public comment to not adopt the standards at the October 17 meeting. He reviewed the new standard considerations, findings, and the resolution. Tyler Whitney, Cable Huston, LLP, noted that once the Board makes its determination, the process is completed. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and adopt Resolution No. 1477 - PURPA. The motion passed unanimously.

COMMISSION REPORT:

Commissioner Knapp is currently attending an Energy Northwest conference and awards ceremony in Atlanta.

Commissioner Rick attended an Annual Legislative Luncheon meeting yesterday in Colville. Discussion was held regarding power market price fluctuations and how they are affecting other PUD's.

Commissioner Onley attended a Greater Newport Area Chamber of Commerce Board meeting on November 1 in Priest River and reported Jake Abbott, Owner of Ruby Creek Resort is a new Board member. He, Commissioner Rick, and Ms. Owen attended the Annual Legislative Luncheon meeting yesterday in Colville and he provided an overview.

COMMISSION BUSINESS:

The Board of Commissioners will attend the Washington Public Utility Districts Association meetings on November 15 - 17 in Olympia.

Commissioner Knapp will not attend the November 17 meetings and with the Board's permission, will attend a general manager search process meeting.

Commissioner Onley asked if there was any other business for the good of the order. There was no further business.

Commissioner Onley announced a 60-minute executive session to evaluate the qualifications of applicants for public employment will begin at 10:50 a.m. in the Riverbend Conference Room with Tyler Whitney, Cable Huston, LLP virtually attending. 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/or the Board will rejoin the open session to take any action or to adjourn the meeting.

Commissioner Onley reported the next meeting is November 21, 2023, in the Newport Conference Room, Newport and via Microsoft Teams.

EXECUTIVE SESSION – EVALUATION OF QUALIFICATIONS OF APPLICANTS FOR PUBLIC EMPLOYMENT:

A 60-minute executive session to evaluate the qualifications of applicants for public employment commenced at 10:50 a.m. The following were in attendance: Board of Commissioners; Suzie Wrbelis, Director of Human Resources; and Tyler Whitney, Cable Huston, LLP virtual. The executive session adjourned and the Board returned to open session at 11:15 a.m. No final action was taken during the executive session.

Commissioner Onley reported the next meeting is Tuesday, November 21, 2023, beginning at 8:30 a.m., in the Newport Conference Room, Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 11:18 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form