

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
April 26, 2022  
NEWPORT CONFERENCE ROOM, NEWPORT, 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  
Karen Willner, Clerk of the Board

Others: Monty Stahl, CEO, Merkle Standard  
Mikhail Trubchik, COO, Allrise Capital  
Russ Pelleberg, Project Manager, Merkle Standard  
Laura Verity, Director of External Affairs, Merkle Standard  
Steve Minnich, Member of the Public  
Dave Rick, Member of the Public  
Andy Armantrout, Member of the Public  
Gretchen Koenig, Member of the Public

The meeting was called to order at 8:33 a.m. by Curtis J. Knapp, President.

A roll call was taken.

CONSENT AGENDA:

The minutes from the April 12, 2022 meeting, today's agenda, and the vouchers were reviewed.

As of this date, April 26, 2022, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The agenda for April 26, 2022 and the minutes of the April 12, 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. 6834 through 6867 in the total amount of \$31,024.62; ACH payments in the total amount of \$459,872.64; Wire Transfers in the total amount of \$1,368,731.32; and ACH payroll transactions in the total amount of \$240,280.41 for the payroll ending April 15, 2022.

The motion passed unanimously.

BOARD WORKSHOP/STRATEGIC PLAN UPDATE:

Commissioner Knapp asked if the commissioners had any topics for discussion. The commissioners did not have any topics for discussion.

Colin Willenbrock, District General Manager reported today's Board Workshop session includes a strategic plan goals update.

He reported the Town of Cusick has submitted a preliminary request to expand our water operator contract to include management of their distribution and wastewater systems. The Department of Ecology was involved with a sewer issue the town had last weekend. He reported Mark Scott, District Water Systems Manager is working with members of the town to determine what is in their best interest going forward. He provided an overview of our contract and reported the town has received a grant to expand its water

treatment plant. He'll gather more information to provide to the Board. For the time being, a lift was brought in and the town's issue at the lagoon has been fixed. They are looking for a long-term solution. He met with Curt Holmes, Kalispel Tribe of Indians, last week to discuss a future plan and reported we have their support and that funding will be needed for the system.

Sarah Holderman, District Director of Customer Services reported we worked on our strategic plan last year and set core values and strategic goals. This is a 5-year plan and some goals will take years to complete. She provided a strategic plan update powerpoint presentation. She reviewed financial health and reported we have been working on a long-term power sale with Clark PUD. We have a term sheet and are in contract negotiations. Mr. Willenbrock reported we did a 5-year deal with Shell when the Ponderay Newsprint Company closed and provided contract details. Discussion was held regarding cost.

Ms. Holderman reviewed system reliability and explained there is a need for additional substations in the county due to population growth. Philip Roice, District Engineering Manager reported we are in the data collection mode with ECI to do model studies of future load growth. He noted future Dalkena and Bare Mountain substations and reported the studies will determine the most critical need. Discussion was held regarding the Bare Mountain to Diamond Lake and the Pine Street to Diamond Lake feeds and loads, and the criteria we look out to determine if we need to build a new substation.

Ms. Holderman reviewed health and safety and explained our goal is to get our meat locker storage building torn down. Chris Jones, District Director of Operations reported our property at Diamond Lake has been cleared and we are looking at putting in a lean to or pole building storage building this year. Our current yard in Newport is too small and we need to make current storage more efficient. The plan is to finish the building at Diamond Lake, install fencing and gates, move items to the building, and next summer tear down the meat locker building. Discussion was held regarding the mechanics shop.

Ms. Holderman reviewed employee experience and reported we have been doing succession planning and cross training. We are looking at our facility to determine what makes sense and what ways we can improve employee training and knowledge. This is on-going throughout the strategic plan. Mr. Willenbrock noted our investment in cross training and reported staff is learning to do fiber and engineering staking in one visit to make a better customer experience.

Ms. Holderman reviewed customer experience and reported staff continues to work on our utility services policy and a presentation will be given to the Board in May. We are still looking to expand our fiber broadband in the north county. Discussion was held regarding the cost to build fiber in north county and grant funding. Commissioner Larson commented discussion needs to be brought before the Board if we take on new debt if we expand. Commissioner Onley was in agreement with Commissioner Larson's comment. Mr. Willenbrock and Tyler Whitney, District General Counsel met with Lisa Brown, Department of Commerce to discuss our fiber broadband funding application and the Washington Public Utility Districts Association (WPUDA) representatives regarding the number of PUDs that were rejected in the last round of funding. He reported we have been working on updating our electric line extension policy regarding costs and implementing the National Information Solutions Cooperative staking module. A future Board workshop will be held to further discuss the policy updates.

Dario Nila, District Community Network System (CNS) Supervisor reported we are looking at potential sites which would allow us to build up our fiber broadband capacity between the District and the Northwest Open Access Network (NoaNet) in north Spokane.

#### SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported we focused on fire extinguisher training and fire safety for this month.

### CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager reported our American Rescue Plan Act funds of \$100,000 are nearly exhausted and 220 grants were awarded to customers. She has seen an uptick in our Neighbors in Need applications and there is \$32,000 in funds remaining.

She received customer thank you's to our crews for restoring power during the recent outage caused by a windstorm. She read some of the Facebook comments and thank you's. Commissioner Knapp also received a customer thank you to our crews for restoring power.

### COMMISSION REPORT:

Commissioner Knapp received phone calls regarding the commissioner opening, WPUDA's stance on renewable energy, and the Allrise contract. He attended the WPUDA meetings on April 13 - 15 in Everett and provided an overview of the topics discussed which included employee engagement in the workplace, elected chairs and vice chairs for committees, and renewable energy.

Commissioner Onley attended the WPUDA meetings on April 13 – 15 in Everett and reported it was good to be together in-person. He provided an overview of the topics discussed which included employee engagement, energy matters, and water committee transfer of chair job positions. He noted a suggestion given at the meeting to provide draft notes to the commissioners following each committee meeting to relay back to their districts. He received some phone calls regarding Allrise.

Commissioner Larson attended a virtual Broadband Action Team (BAT) meeting on April 14 and talked to Mr. Nila and Ms. Holderman regarding the Washington State Broadband Office fiber broadband grant funding and application submittal process. He received phone calls regarding Merkle Standard and the commissioner position. He attended a NoaNet Board meeting on April 13 in Spokane.

### COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for June. Commissioner Knapp will attend the PUD Board meetings on June 7 and 21 in Newport and Energy Northwest meetings on June 28 – 30 in Tri-Cities. He will attend an Energy Northwest Board meeting today through Thursday in Tri-Cities and for May, the PUD Board meetings on May 3, 17, and 31, and a Northwest Public Power Association (NWPPA) Annual Conference on May 22 – 25 in Coeur d'Alene. Commissioner Larson will attend the PUD Board meetings on June 7 and 21 in Newport, a NoaNet Board meeting on June 8 in Spokane or virtual, a virtual BAT meeting on June 9, and a Tri-County Economic Development District meeting on June 22 in Colville. Commissioner Onley will attend the PUD Board meetings on June 7 and 21 in Newport. He will virtually attend the PUD Board meeting on May 3.

A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the commissioner travel or meeting attendance for June as presented. The motion passed unanimously.

### ACTION ITEM:

- Resolution No. 1461 – Correcting Scrivener's Errors in Resolution No. 1455 Redistricting Plan. Mr. Whitney reported that we match our commissioner district boundaries to the county's commissioner district boundary map and that this action item is to clean up minor clerical edits to the previous legal description. A motion was made by Commissioner Onley and seconded by Commissioner Larson to adopt the resolution. The motion passed unanimously.

## MANAGEMENT REPORT:

### Colin Willenbrock, General Manager:

He attended a NoaNet Board meeting with Commissioner Larson on April 13 in Spokane and provided an overview of the topics discussed which included member outreach, net 30 in new revenue, legacy return, and new partnerships. He was appointed to a joint venture committee to partner with a new company. Craig Nelsen, CEO of NoaNet, is being proactive and hired James Wong, as their new CFO who will be a good ally and resource if we are awarded a fiber broadband grant funding to expand fiber in the north county.

He reported the Central Washington Public Utilities (CWPU), who is responsible for our employee benefit trust program, is moving into contract negotiations. Our current Collective Bargaining Agreement contract expires in April 2023. Negotiation meetings will start in June or July.

He attended a District vegetation management plan meeting and reported that Mr. Jones and our tree trimmer crew will work with the Forest Service. We will present a plan to the Board at a future meeting.

Commissioner Knapp reported that following a short break, the meeting will resume with business from the public. He explained that during business from the public, public comments will be limited to three minutes.

Following a short break, the meeting resumed.

## BUSINESS FROM THE PUBLIC:

Monty Stahl, CEO of Merkle Standard, reported his team is here and have requested a timely process in the completion of their contract with the PUD. He thanked Mr. Willenbrock and reported this is a priority for them and they are working cooperatively with the PUD and the county.

Andy Ermantrout, a member of the public, referenced Mr. Willenbrock's comment about the PUD trying to promote local businesses and tax growth in the county in a Spokane Journal of Business news article and inquired if Mr. Willenbrock still agrees with that comment. Mr. Willenbrock reported he and the PUD have been a long-time supporter of local business and growth in the county.

Steve Minnich, member of the public, noted his research references in an article he wrote regarding the importance of community members taking care of individuals, considering economic development, taking responses from the public, and providing strong leadership from the PUD.

Sonya Scaufaire, Owner of Selkirk Sun, thanked the PUD for adding the Selkirk Sun to their press release distribution list.

Diane Haas, Logistics & Purchasing Manager of Merkle Standard, inquired about the contract with Allrise. Commissioner Knapp explained the contract process takes time and there are many parts.

Steve Wood, Merkle Standard, reported they will have the document asking for further information back to the PUD today.

Gretchen Koenig, member of the public, inquired if more environmental permitting documents are needed for Allrise. Mr. Willenbrock referred her to speak with the Merkle Standard staff.

## MANAGEMENT REPORT (continued):

### Philip Roice, Engineering Manager:

He reported staff is in the planning stages and lining out the project bids with the contractors. Staff is working on a scheduled June outage at Box Canyon. He and staff are working on our Highway 20 franchise with the Washington State Department of Transportation. Staff is looking at more maintenance for the Cusick switcher and high density load transformers in Metaline Falls. Discussion was held regarding the June outage at Box Canyon and the Highway 20 franchise. He reported the Highway 211 franchise is done and they are working on the Highway 20 and Highway 31 franchises.

Bob Pebles, Information Technology Manager/CIP Senior Manager:

He reported staff is working on the fiber map project which is almost half done and the connectivity is about 10% done.

He and staff are working on a network project for re-engineering of the network and have done a wireless update to the system. They will need to physically change out the hardware. They are working on the anti-virus software to the computers and servers. The firewalls have been ordered but are backordered.

Commissioner Onley inquired if we still have our wireless hotspots in the county. Ms. Holderman reported we have taken ours down but the state-sponsored hotspots are still up.

April Owen, Director of Finance:

She provided a power supply update and reported they are trying to wrap up our first transaction with Brookfield and we will purchase power with them in May. We went out to bid from Brookfield, Shell, Seattle City Light, Grant PUD, Clark PUD, and Avista and Brookfield was the low bidder with \$49.90, for heavy load. She reported they are seeing higher pricing for the spring. Last year's average day ahead price was \$38.06, now the average is \$68.02. Discussion was held regarding the BPA February and March power sales.

A motion was made by Commissioner Larson and seconded by Commissioner Onley to ratify Brookfield's bid at \$49.90. The motion passed unanimously. Discussion was held regarding market pricing.

Ms. Owen provided a finance update and reported they are wrapping up the 2021 Annual Report. Ms. Gifford has sent in the proof. Commissioner Larson congratulated Ms. Owen and her team on the clean audit. Ms. Owen reported an excise tax revenue audit will be held next week.

John Bricher, District Finance Manager:

He reported staff will meet with the auditor at the District next week for the excise tax revenue audit.

He reported we are now doing our annual physical inventory audits in the spring. He thanked everyone who helped with this recent inventory audit.

Sarah Holderman, Director of Customer Services:

She reported NWPPA has submitted an advertising request for its annual conference in May. Mr. Willenbrock reported he will attend. He reported Commissioner Knapp is also attending and suggested doing the chocolate boxes with the PUD logo which would be about the same price as Mr. Willenbrock's avoided registration. The Board was in agreement to do the chocolates. She will have Ms. Gifford order and have them delivered.

She reported Laura Smith, District Meter Reader I, has been trained to change out meters and do locates and received her flagging certification.

She reported we are running low on meters and are looking at contingency plans. We will do a request for proposal for getting new meters. She reported Dan Hoogheem, District Distribution Field Engineer has retired from the District and Lauren Naccarato, District CNS Fiber Staking Field Engineer is helping with the engineering staking appointments.

Dario Nila, CNS Supervisor:

He reported there were a few fiber outages in the last two and a half weeks which included a NoaNet fiber outage up north. We did testing with NoaNet and determined the outage was due to a break in the line when a tree fell on the line.

He reported crews are gearing up for underground builds next week. The crews are caught up on electronics only and overhead builds.

Commissioner Knapp noted a thank you from Wayne Antcliff, Owner of Concept Cable. Mr. Nila reported the company is good to work with.

He reported they are doing more cell sites in the county. Discussion was held regarding a NoaNet fiber circuit.

Amber Gifford, Customer Service & Contracts Manager:

She reported it has been great transitioning into the customer service manager role and commended the customer service representatives for being great to work with.

She provided a communications update and reported a cross connection control survey for all the water customers was conducted. The survey is done every five years and is regarding cross contamination. Postcards were mailed, emails were sent, and the survey was posted on our website. We have received over 150 responses which is double the participation we have received in the past. We used survey monkey to get the responses and that seemed to work well.

She reported all the graphic design was done 100% in-house for the annual report and the draft proof is being reviewed by the auditor.

She is anticipating the District will receive \$200,000 in BPA energy conservation funding on October 1. She will present a contract to the Board for approval in late summer. Discussion was held regarding the BPA energy conservation funding net requirement.

Adam Wiltse, Safety Manager:

He is gearing up for the summer student helpers to start with their safety trainings and reported many are returning students. He will have a summer student helper this year and will do confined space audits and audio and noise surveys across the District. He reported that all employees are enrolled in the hearing conservation program.

Bryant Kramer, Director of Power Production:

He reported the river flows are steady at 22,000 cubic feet per second and all the turbine units are generating. The average spring runoff and high water peak is expected during spring maintenance. Maintenance will include inspection of the trash racks.

He reported Power Lake is full and spilling at its maximum capacity. Calispell Powerhouse is 100 years old this year. Sullivan Lake is filling but he is not sure if it will fill to its full summertime level. He is getting ready for the Federal Energy Regulatory Commission (FERC) annual inspection on May 26.

He reported Box Canyon will have three summer student helpers in maintenance and one student doing digital documentation.

He reported the Calispell Creek reached its peak and may have another peak depending on how the snow comes off.

He reported they are planning on doing tours of Box Canyon Dam. They are waiting on summer student help and will do a surface tour only due to safety concerns as a lot of maintenance is still occurring.

Scott Jungblom, Natural Resources Manager:

He provided a fish ladder update and reported they passed their first target fish, a Westslope Cutthroat Trout which they named "Mark", who had a radio and PIT tag in it and was approximately 15 ½ inches long. They started operating the fish ladder earlier than they expected on April 11 and since April 11, they have passed 16 fish in total - 15 rainbow trout and one westslope cutthroat trout, which they passed yesterday.

He provided a trout habitat and restoration program update and reported they are developing a long-range project list which they are working on with the Kalispel Tribe of Indians. They did a watershed assessment of the LeClerc Creek subbasin and expect to do several projects identified such as large wood placement and floodplain replacement reconnection. They are using the results of the watershed assessment to complete the Comprehensive Plan required under the Amended Settlement Agreement.

He reported the water quality monitoring plan continues which they are implementing on a bi-weekly basis.

He provided a Wildlife Management Plan update and reported they are expanding the cottonwood tree protection at the Usk, Tacoma Creek, and Davis Creek wildlife management areas, and fence repair work at the Finch Island wildlife management area and the Middle Branch LeClerc Creek stream restoration sites.

He provided an aquatic plant management plan update and reported they are working with the county to acquire a boat and trailer clean out station that will allow boaters pulling their boat out of the river to blow off the weeds and aquatic vegetation debris. There is a Bureau of Land Management grant that the county is trying to get to purchase the trailer and if they get the grant, they will put the clean out station at the Gregg's Addition boat launch.

Mr. Willenbrock referenced the fish monitoring plan and reported we have a contract with McMillen Jacobs to do effectiveness monitoring.

Tyler Whitney, General Counsel:

He reported there are a number of workshops this week and next week including a FERC Financial Assurances Technical Conference today related to our Box Canyon license and Off-License Settlement Agreement dam safety and improvements that are made. This is FERC's first opportunity to hear from staff and stakeholders from around the country and today is an information gathering hearing. FERC could issue more rule-making in the future. Another workshop is related to the Clean Energy Implementation Plan which is updated every four years and that we submitted last year. He received a phone call from the Department of Commerce regarding their interest in our plan and that they are pleased with the amount of detail we put in our plan and commended PUD for the level of detail we provided.

He and staff will attend a Shell quarterly update meeting tomorrow in Spokane to review the real time scheduling desk and educational improvements on how power supply works in the region.

Suzie Wrbelis, Director of Human Resources:

She is finishing up on recruiting and reported we will have 12 summer student helpers this year. We are also recruiting for a distribution field engineer due to Mr. Hoogheem's retirement.

She reported April 1 marks a contract change for the union and she commended Destini Parker, District Payroll & Benefits Coordinator for doing an excellent job in communicating with staff on any changes. She is gearing up for the CWPU bargaining.

Mark Scott, Water Systems Manager:

He reported the Metaline Falls pipeline project plans are finished and were sent to the Department of Health for approval. He is hoping to bid the project in the next 30 days.

He is gearing up for the Sunvale Acres distribution main pipe replacement project and has completed the environmental process with the Public Works Board.

He reported the watermen are doing maintenance tasks.

He reported a lot of work needs to be done on the Town of Cusick's water system. If authorized by the Board, he will try to help them with their water treatment plant.

Commissioner Larson had a conversation with a customer regarding the Board's contact information being hard to locate on our website. He suggested putting the commissioners' phones and email addresses on our website and asked for the Board's and staff's input. Ms. Gifford will update our website.

Commissioner Knapp announced a 5-minute break followed by a 45-minute executive session on pending and/or potential litigation to begin at 11:45 a.m. with Tyler Whitney, General Counsel present. If the executive session needs to be extended, he will rejoin this open session to publicly announce an extension. Following the executive session he and/or the Board will rejoin the open session to take any action or to adjourn the meeting. No action will be taken during the executive session. The next meeting is May 3 at 8:30 a.m., in the Newport Conference Room in Newport and virtual via Microsoft Teams.

Following a 5-minute break, the meeting resumed.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 45-minute executive session on pending and/or potential litigation commenced at 11:45 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; and Tyler Whitney, General Counsel. The executive session adjourned at 12:30 p.m. The Board returned to open session. No final action was taken.

Commissioner Knapp reported the next meeting is May 3, in the Newport Conference Room in Newport, WA and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 12:31 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form