

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
February 21, 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: Gretchen Koenig, Member of the Public
Tom Pulford, Member of the Public

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

BOARD WORKSHOP:

Discussion was held regarding the Washington Public Utility Districts Association (WPUDA) meetings last week in Olympia and a video of the PUD Day on the Hill event was shown. Commissioner Onley noted the fiber broadband grant discussion.

APPROVAL OF CONSENT AGENDA:

The minutes from the February 6, 2024 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, February 21, 2024, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The revised agenda for February 21, 2024 meeting, and the minutes of the February 6, 2024 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. 9078 through 9116 in the total amount of \$56,780.80; ACH payments in the total amount of \$137,376.64; Wire transfers in the total amount of \$18,362.68; and ACH payroll transactions in the total amount of \$246,378.08 for the payroll ending January 31, 2024.

The motion passed unanimously.

ACTION ITEMS:

- Declaration of Surplus Property – Fleet Asset #653, a 2008 Ford F150 Truck. Chris Jones, District Director of Operations, reported the meter reader truck is old with high mileage. A sealed bid process will be done. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve and declare the truck as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Declaration of Surplus Property – Two Blue and Wood Office Chairs. Bryant Kramer, District Director of Power Production, reported the chairs are of little value where advertising would cost more than the value of the chairs. The chairs

will be disposed of or allowed to be taken by members of the public or employees. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and declare the chairs as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.

- Resolution No. 1483 - Declaration of Surplus Real Property in Oldtown, Idaho. April Owen, District Director of Finance, reported that we no longer use this property and it is a small lot. The property will be sold through our sealed bid process with a minimum bid of \$60,000 based on the appraised fair-market value. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve, adopt the resolution, and declare the property as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.

GENERAL MANAGER REPORT:

John Janney, General Manager, attended the Public Power Council (PPC) and Pacific Northwest Utilities Conference Committee (PNUCC) meetings on February 7 – 9 in Portland and the WPUDA meetings on February 14 – 16 in Olympia. He reported the meetings focused on the de-carbonization and electrification of the region and he provided an overview.

He reported the WPUDA Managers Committee meeting focused on wildfire risks and mitigation. Another topic included the Broadband Equity Access Deployment grant application. He and staff met with iFiber yesterday for introductions and to discuss how we can help each other.

He reported a Strategic Planning Workshop for the Leadership Team is scheduled for March 20. Following this workshop, a strategic planning workshop for the Board will be scheduled.

PUBLIC HEARING – ELECTRIC SYSTEM LINE EXTENSION FEES AND CHARGES AND COMMUNITY NETWORK SYSTEM FEES:

Pursuant to notice given to the Newport Miner, a public hearing to discuss the proposed Electric System Line Extension Fees and Charges and Community Network System (CNS) Fees commenced at 9:00 a.m. There were two members of the public in attendance.

Sarah Holderman, District Director of Customer Services, reported the electric system line extension fees approval will be considered at the March 5 meeting. There will be an action item today if the Board is ready to approve the revised CNS policy. She explained the electric system line extension fee policy revisions include updates to the application fees, connection and extension fees, and transformer contribution fees. Discussion was held.

She explained the CNS Policy and Fees for a new service offering for service to cell towers.

The Board thanked Ms. Holderman for her presentation and information. Commissioner Onley asked if there were any questions or comments. There were none.

The public hearing ended at 9:22 a.m.

ACTION ITEMS (continued):

- Approval of Revised CNS Policy and Fees Policy. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the revised Community Network System Policy and Fees policy. The motion passed unanimously.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported on a new Washington Department of Labor and Industries Rule, pursuant to Senate Bill 5217, that began last year and goes into effect this spring. The Rule is for regulating the prevention of musculoskeletal injuries and disorders. He provided an overview. Discussion was held.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service and Contracts Manager, reported the Customer Satisfaction Survey closed last week and we received 90 responses. She thanked customers for providing valuable feedback.

She reported the migration to the new SmartHub online tool was successful. She is receiving positive feedback from customers. Discussion was held.

Commissioner Knapp commended Shannon Johnston, District Communications and Utility Services Coordinator, for doing a great job organizing the District's booth at PUD Day on the Hill event in Olympia.

MANAGEMENT REPORT:

Angie Hall, Regulatory Compliance Analyst:

She provided a presentation of our Bonneville Power Administration (BPA) Transmission Operator and Transmission Planner agreement benefits. She reviewed our current registrations, provided a timeline of when the agreements took place, reviewed our avoided risks, and explained the potential savings by having the BPA agreements in place. Discussion was held.

Commissioner Onley thanked Ms. Hall for her presentation and for gathering and providing the information.

Philip Roice, Engineering Manager:

He received our Department of Natural Resources easement for the Seattle City Light hatchery fiber project. Mr. Jones reported the splicing should be done today. Discussion was held.

Mr. Roice reported the 30% design review of our Bare Mountain Substation is finished. The District's consultant, ECI, is now working towards a 60% design which will add more detail to the design. The transformer specs have been received and after staff reviews, we will order the transformer.

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.

Tom Pulford, member of the public, referenced the Gray Road and Oregon Road fires that occurred in August and explained the need for everyone to work together on fire prevention and the importance in having a work around plan. He provided his background history and offered his service to help the District and the county.

Commissioner Onley thanked Mr. Pulford for attending, providing his information, and offering his services.

Gretchen Koenig, member of the public, commented that today's meeting conflicts with the Economic Development Council meeting. Discussion was held.

Commissioner Rick inquired about the status of a customer's concern on the cost to relocate a meter. Mr. Janney and Ms. Holderman provided an update. Discussion was held.

MANAGEMENT REPORT (continued):

Bryant Kramer, Director of Power Production:

He reported the turbine unit 4 oil change job was started and the oil is being replaced with a low viscosity oil. Discussion was held regarding the oil disposal process. He reported we will have the contractor return to recalibrate the unit after the oil replacement is complete.

He showed a picture of the installed fish ladder signs on the fish ladder facility that were made by the Kalispel Tribe of Indians. He showed a picture of the ground penetrating radar being used to locate underground pipes.

John Bricher, Finance Manager:

He reported Moss Adams auditors are currently working onsite on our financial statement audit. Olga Darlington, Partner with Moss Adams, is arriving tomorrow and will be onsite through Friday.

He reported the state auditors will do our accountability audit for 2022-2023. The Department of Revenue excise tax audit appeal is continuing and the Clean Energy Transformation Act audit is still ongoing.

Ben Hall, Energy Resources Manager:

He reported staff will be presenting and ask for the Board's approval of Cascade Digital's successor Electric Service Agreement (ESA) at the March 5 meeting. He reported that last fall we did a 6-month ESA and are looking to do another 6-month agreement. He provided the changes to the contract which include more flexibility in the market power purchases, the system product will be zero, and the amount of the performance assurance letter of credit will decrease from \$4.9M to \$1.5M due to a drop in the system product. Discussion was held. Commissioner Onley thanked him and his team for protecting our ratepayers.

Mr. Hall reported that Cascade reached out to us regarding the testing of the refiner motors. BPA is considering the parameters for testing and it will probably be a couple months before testing can begin.

Sarah Holderman, Director of Customer Services:

She attended a Northwest Open Access Network (NoaNet) Board meeting last week in Spokane Valley and reported that Energy Northwest has decided to withdraw from NoaNet. Discussion was held on how this affects us for membership percentage. She reported that we are hosting a NoaNet Board meeting here on May 8. NoaNet opened their new office in Spokane Valley.

COMMISSION REPORT:

Commissioner Rick attended an Ione Town Council meeting on February 7 in Ione and reported they reviewed the state's shoreline master plan and provided an overview. He attended the WPUA meetings and PUD Day on the Hill event on February 14 – 16 in Olympia and provided an overview.

Commissioner Knapp attended the WPUDA meetings and PUD Day on the Hill event on February 14 – 16 in Olympia and provided an overview. He attended a virtual PPC meeting on February 8.

Commissioner Onley attended a Greater Newport Area Chamber of Commerce meeting on February 7 in Newport and the WPUDA meetings and PUD Day on the Hill event on February 14 - 16 in Olympia and provided an overview. He commented that it was great to have Mr. Janney in attendance at the meetings. He attended a virtual WPUDA Legislative Rally Prep meeting on February 19. He noted Clallam PUD Commissioner Jim Waddell’s passing.

Commissioner Rick seconded Commissioner Onley’s comment about having Mr. Janney in attendance at the meetings. Discussion was held.

COMMISSION BUSINESS:

Commissioner Knapp will attend Energy Northwest Safety Review Board meetings on March 3 - 7 in Tri-Cities and he will virtually attend the March 5 Board meeting. Discussion was held regarding the presentation for a Pend Oreille Representatives Workshop meeting here on March 21.

Commissioner Rick will attend a Tri-County Economic Development District meeting on February 28 in Colville.

Commissioner Onley will meet with Ms. Darlington for an audit debrief this Friday in Newport. He will meet with Mr. Janney to discuss the WPUDA Legislative Rally topics for his meeting on February 26 – 29 in Washington, D.C.

- Pre-Approval of Commissioner Travel or Meeting Attendance for March. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the commissioner’s travel or meeting attendance for March. The motion passed unanimously.

Commissioner Onley reported that following a working lunch, the meeting will be adjourned at 12:00 p.m. The next meeting is scheduled for March 5, 2024, in the Newport Conference Room in Newport and via Microsoft Teams.

President

ATTEST:

Secretary

General Counsel
Approved as to Form