

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
August 3, 2021
HYBRID MEETING – NEWPORT CONFERENCE ROOM, NEWPORT, WA
& 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: Sheryl Miller, Member of the Public
Christopher McKey, Energy West, LLC

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 July 20, 2021 meeting and today's revised agenda were reviewed.

As of this date, August 3, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The revised agenda for August 3, 2021, and the minutes of the July 20, 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. 5900 through 5939 in the total amount of \$325,643.30; ACH payments in the total amount of \$65,858.46; Wire Transfers in the total amount of \$275,214.53; and ACH payroll transactions in the total amount of \$228,745.63 for the payroll ending July 15, 2021.

The motion passed unanimously.

BOARD WORKSHOP:

Commissioner Knapp asked if the commissioners had any topics for discussion. Commissioner Larson noted the Sullivan Lake recreational opportunities which he discussed today with Tyler Whitney, District General Counsel & Assistant General Manager. Commissioner Onley inquired about the Washington long term care legislation. Colin Willenbrock, District General Manager explained the alternative option being provided by Central Washington Public Utilities Unified Insurance Program and he reported there are webinars being held this week.

Commissioner Knapp announced a 1-hour executive session on pending and/or potential litigation will begin at 8:48 a.m. Following the executive session, the Board will return to open session.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 8:48 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; April Owen, Director, Audit, Financial & Power Supply; and Tyler Whitney, General Counsel & Assistant General Manager. Commissioner Onley was excused at 9:20 a.m. At 9:45 a.m., Commissioner Knapp contacted Karen Willner, Clerk of the Board to announce the executive session would be extended until 10:00 a.m. At

9:46 a.m., Ms. Willner returned to open session to announce the executive session would be extended until 10:00 a.m. The executive session adjourned at 9:58 a.m. The Board returned to open session.

Commissioner Knapp announced the executive session on pending and/or potential litigation would be continued for one hour at the end of today's open session.

BUSINESS FROM THE PUBLIC:

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

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported there is a lot of smoke in Newport and the air quality index was 186 which is an unhealthy level. The District is trying to keep employees indoors. The forecast today and tomorrow is at the unhealthy for sensitive groups level.

He reported on a few employee incidents related to wildlife and insects.

Mr. Wiltse uses the airnow.wa.gov website for air quality index information.

CUSTOMER SPOTLIGHT:

Sarah Holderman, District Director, Treasury, Broadband & Strategic reported this month's Customer Connect newsletter had a write up about our customer billing process and customer energy assistance options. As part of our education to customers regarding the expiration of the moratorium, 150 newsletters were mailed out to customers with large past due balances.

She reported the county will be discussing the additional funding letter we sent today.

She reported the Memorandum of Understanding with the Greater Newport Area Chamber of Commerce expires at the end of September. She reached out to the chamber to see if they want to extend the agreement. The Commission should also consider if they would like to pursue more charging stations in the county.

COMMISSION REPORT:

Commissioner Larson attended a Tri-County Economic Development District meeting on July 28 in Colville. He provided an overview which included the regulatory transportation plan and the comprehensive plan and he reported Alcoa is trying to get someone into their site in Ady. There is interest from a recycled steel company. He reported the Forest Service office is open with limited hours. He reported Fire District #2 is staffing 24/7 in some locations.

Commissioner Onley attended a virtual Economic Development Council meeting on July 21 and provided an overview. He commended Mr. Willenbrock for providing great detail on our power supply.

Commissioner Knapp attended a Pend Oreille County Aquatic Weed Workshop on July 23 at the Kalispel Tribe of Indians Casino in Cusick and commended Scott Jungblom, District Natural Resources Manager for giving a great presentation. He attended Energy Northwest meetings on July 27 – 29 in Tri-Cities and reported they elected a new CEO, Robert Schuetz and gave his background. He met with David Sears on July 30 at the Newport City Park to discuss the District and the City of Newport.

Commissioner Larson reported he had numerous discussions with people who were on the river and were concerned about the milfoil at the Oldtown boat launch. Mr. Whitney reported the watermen had difficulty mitigating the milfoil due the high temperatures and

low river flows but were able to complete all of the designated locations on the reservoir and are now going back through. Discussion was held.

COMMISSION BUSINESS:

Commissioner Onley will attend a virtual Northwest Open Access Network (NoaNet) Board meeting on August 11 and a virtual Broadband Action Team meeting on August 12.

Commissioner Knapp will attend a virtual Washington Public Utility Districts Association Education Steering Committee meeting in August and a virtual Broadband Action Team meeting on August 12.

Commissioner Larson will attend the virtual NoaNet Board meeting on August 11 and the virtual Broadband Action Team meeting on August 12.

ACTION ITEMS:

- Balancing Authority Agreement with Avista. Mr. Willenbrock reported Christopher McKey, Energy West, LLC is here today to provide details and commended Mr. McKey and his team for doing a great job with the agreement. Mr. McKey explained the purpose of the balancing agreement. The current 2-year agreement expires at the end of September and it is being changed to a 5-year agreement with termination rights and language regarding Avista joining the energy imbalance market in March. The Bonneville Power Administration will also be joining the energy imbalance market in March 2022. He explained the pricing differences and recommended the Board approve this agreement. Discussion was held. Mr. Whitney reported on a couple of changes to the draft agreement the Board received. A motion was made by Commissioner Larson and seconded by Commissioner Onley to authorize the general manager to execute the agreement. The motion passed unanimously.

Mr. Willenbrock thanked Mr. McKey and April Owen, District Director, Audit, Financial & Power Supply for their work and support on this matter. Mr. McKey left the meeting.

- Electric Service Agreement with Ponderay Real Estate, LLC. Mr. Whitney provided the details. It is a take or pay agreement and the term of the agreement is through June 2022. A motion was made by Commissioner Onley and seconded by Commissioner Larson to authorize the general manager to execute the agreement. The motion passed unanimously.
- Budget Transfer Request – Asphalt at Box Canyon. Mr. Whitney provided the details and reported staff is working on a request for proposal to go out to bid. Commissioner Onley commented that he is not a fan of this request to spend more money. Mr. Willenbrock provided background information and reported this is a preventative maintenance issue. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the budget transfer request in the estimated amount of \$450,000. The motion passed unanimously.

Commissioner Knapp announced the executive session on pending and/or potential litigation will continue for one hour.

Mr. Willenbrock reported Ms. Owen gave information on fire department funds to the Board and Mark Scott, District Water Systems Manager gave milfoil mitigation information to the Board. Commissioner Larson thanked Ms. Owen and Mr. Scott for the information.

Mr. Whitney reported public closure notices for overnight camping and no fires due to the extreme fire danger at all District recreation facilities have been posted. This includes Power Lake and Campbell Park. He reported the Pend Oreille County Sheriff is checking the sites for us.

He provided an update on the Calispell Powerhouse caretaker property and reported a monthly lease agreement will be first offered to staff. With the Board's approval, we will use a lottery system for internal staff and will take action at the August 17 Board meeting. Discussion was held.

Following a 3-minute break, the meeting resumed.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION
(continued):

The 60-minute executive session on pending and/or potential litigation continued at 11:10 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; April Owen, Director, Audit, Financial & Power Supply; and Tyler Whitney, General Counsel & Assistant General Manager. The executive session adjourned at 11:25 a.m. The Board returned to open session. No final action was taken.

There being no further discussion to come before the Board, the meeting adjourned at 11:26 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form