

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
August 4, 2020
TELECONFERENCE ONLY

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: Luke Smith, Member of the Public
Sheryl Miller, Member of the Public
Gretchen Koenig, Member of the Public
Don Gronning, Newport Miner
Nicole Peightal, Member of the Public
Kelly Driver, Port of Pend Oreille Manager
Wendy Jo McHenry, Member of the Public

The meeting was called to order at 8:30 a.m. by Curtis J. Knapp, President. A roll call was taken.

CONSENT AGENDA:

Today's agenda was reviewed. The minutes from the July 21, 2020 meeting and the July 28, 2020 special meeting are being deferred until the August 18, 2020 meeting.

ACTION ITEM:

Commissioner Onley made a motion to amend the agenda to include a 15-minute executive session to review the performance of a public employee at 10:15 a.m. with only the Board in attendance. Commissioner Larson seconded the motion. The motion passed unanimously.

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. As of this date, August 4, 2020, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The amended agenda for August 4, 2020.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 4605 through 4664 in the total amount of \$149,785.84; ACH payments in the total amount of \$259,945.93; Wire Transfers in the total amount of \$550,370.33; and ACH payroll transactions in the total amount of \$235,878.49 for the payroll ending July 15, 2020.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager reported April Owen, District Director, Audit, Financial & Power Supply will review the June 2020 Financials.

Commissioner Onley reported he read the letter from George Caan, Executive Director of the Washington Public Utility Districts Association to Governor Jay Inslee regarding the delay of rate increases and customer disconnects due to COVID-19. Mr. Willenbrock reported the American Public Power Administration (APPA) has been similarly involved with Congress on the next round of stimulus funding. He drafted to our Congressional delegation requesting additional funding for low income customers and direct financial assistance for public utilities.

Ms. Owen reported the financial report information is located on our website. She reviewed the June 2020 financial report. Discussion was held. Commissioner Onley thanked Ms. Owen for her presentation.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager explained what an accident can directly and indirectly cost to the employer, employee, and to the employee's family, friends and community. He reported that as we move forward with our safety program it is important we consider all the impacts created from an accident.

Mr. Willenbrock expressed his appreciation of Mr. Wiltse's presence and safety work ethic and efforts.

CUSTOMER SPOTLIGHT:

Libbey Bartel, District Director, Customer Service & Metering reported on the type of activity the customer service representatives are seeing given the pandemic and Ponderay Newsprint Company closure. She provided an overview of July's activity and reported the in-coming and out-going call volume has increased by 20%, 1,400 service orders have been processed, and 611 customers have been helped at the drive-through window. She said the team is constantly thinking outside the box to keep our customers and employees safe.

COMMISSION REPORT:

Commissioner Larson reported he had a couple of customer conversations regarding the electric system rate increase.

Commissioner Onley was contacted by the Washington State University (WSU) Extension Office to see if he was interested in joining its push to implement a broadband action team in Pend Oreille County. He will attend a virtual meeting on August 7 and to let them know he is interested in joining the team.

Commissioner Knapp had a few customer phone calls and in-person conversations regarding the rate increase and the City of Newport's tax for annexation costs. He met with Mr. Willenbrock yesterday to review today's agenda. He attended an Energy Northwest virtual meeting on July 29 and provided an overview. Discussion was held.

COMMISSION BUSINESS:

Commissioner Onley will attend a WSU Extension Office broadband action team meeting on August 7.

Mr. Willenbrock reported on the team's progress in identifying the strategic cuts directed by the Board. He and staff met with the Operations, Engineering, and Information Technology departments and will next meet with the Regulatory and Production departments to discuss the budget. He reported departments are coming together to make adjustments. He takes a tremendous amount of pride in knowing that our systems are in good shape and modernized. He hopes to have the plan finalized by the end of August.

Tyler Whitney, District General Counsel & Assistant General Manager provided a Riverview Water System arsenic treatment update and reported all the submitted bids were over the engineer's 15% threshold. Staff is working with the engineer to rebid the project in the next couple of weeks.

Discussion was held regarding the north county fiber feasibility study. Mr. Willenbrock reported he; Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning; and Robert Fritz, District Community Network System (CNS) Supervisor recently had a meeting with the State Department of Commerce, county, and Northwest Open Access Network regarding the County's microwave communications systems.

COMMUNITY NETWORK SYSTEM (CNS) 10 GIG NON-REDUNDANT SERVICE OFFERINGS, RATES AND FEES HEARING:

Pursuant to notice given to the Newport Miner, a special meeting for the purpose of having an electric rate hearing commenced at 9:32 a.m. There were four members of the public in attendance.

Ms. Holderman provided a CNS rate hearing presentation. She reported it is a public rate hearing to discuss CNS rates and fees. She provided a summary of the services offered which include fiber standard and premium class services and a wireless standard class service. She reported we also have a premium class fiber service and that we have heard from retail service providers (RSPs) that they want a 10 gig non-protected circuit which will provide savings. She reported this is a new service offering that we are asking to be put into our policy. We are also adding a temporary disconnect and an unauthorized sharing or resale activity fee. Discussion was held.

Commissioner Larson inquired about the RSPs temporary disconnect and if the 10 gig non-protected circuit makes us less reliable. Dario Nila, District CNS System Specialist provided the details. Ms. Holderman referred to our policy language.

Commissioner Knapp asked for public comment. There was no comment from the public.

The public hearing ended at 9:51 a.m.

ACTION ITEMS:

- Resolution No. 1439 – CNS Policies and Fees. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the resolution and CNS Policies and Fees Policy, as amended. Discussion was held. The motion passed unanimously.
- Extension of Right-of-Way Easement with Port of Pend Oreille. Mr. Whitney provided the details of the Port's Agreement and reported we have come to a tentative agreement for a 1-year extension for \$185,000. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to authorize the general manager to execute the extension of the right-of-way easement. Commissioner Larson commented that he hopes the District and Port can continue to work together. The motion passed unanimously. Commissioner Knapp thanked Kelly Driver, Port of Pend Oreille Manager for attending.

BUSINESS FROM THE PUBLIC:

Gretchen Koenig, member of the public inquired if the District's cost extension measures to not use consultants included Ady Advantage. Mr. Willenbrock reported that project has essentially been completed and the cost was shared by the PUD, County, Port, City of Newport, Kalispell Tribe and the Department of Commerce.

Wendy Jo McHenry, member of the public received a letter from the District that she didn't qualify for the fiber broadband grant and inquired about the BTOP project area. Karen Willner, Clerk of the Board will contact her for location information.

EXECUTIVE SESSION – PERSONNEL:

A 15-minute executive session on personnel to review the performance of a public employee commenced at 10:15 a.m. The following were in attendance: All three Commissioners. The executive session adjourned at 10:30 a.m. and the Board returned to open session. No final action was taken.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 10:30 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; and Tyler Whitney, General Counsel & Assistant General Manager. At 11:30 a.m., Commissioner Knapp formally announced extension of the executive session until 12:15 p.m. The executive session was extended for 10 minutes. The executive session adjourned at 12:23 p.m. and 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 12:24 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form