

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
January 29, 2019
BOX CANYON DAM, IONE, WA

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 R. Whitney, General Counsel/Director of Regulatory &
Governmental Affairs
Karen Willner, Clerk of the Board

Others: Gretchen Koenig, Member of the Public

The meeting was called to order at 9:00 a.m. by Curtis J. Knapp, President.

CONSENT AGENDA:

The minutes from the January 15, 2019 meeting and today's revised agenda were reviewed.

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, January 29, 2019, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The minutes of January 15, 2019 meeting and the revised agenda for January 29, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 2437 through 2506 in the total amount of \$317,820.75; ACH payments in the total amount of \$283,831.65; Wire Transfers in the total amount of \$1,235,307.28; and ACH payroll transactions in the total amount of \$243,094.07 for the payroll ending January 15, 2019.

BOARD WORKSHOP:

Discussion was held regarding the District's organization representation, commissioner compensation and travel/meal expenses.

Colin Willenbrock, District General Manager provided a strategic planning update and reported the District's Executive Leadership Committee team is editing and revising staff's 5-Year Plans, which are used as part of the budget process. The plans will be presented to the Board at a March Board meeting. Discussion was held.

He provided a Northwest Open Access Network update and reported a year-end performance review is being done by the Evaluation Committee team. Discussion was held.

He provided a Central Washington Public Utilities (CWPU) update. He is the CWPU Chair and will be preparing for individual and joint negotiation discussions.

He attended the first hour of an Economic Development Council meeting on January 16 in Newport and provided an overview.

He provided an Operations Center update and reported a meeting with the architects and engineers will be held tomorrow to discuss further plans. Discussion was held.

He; Tyler Whitney, District Chief Legal, Generation & Regulatory/Government Affairs Officer; and Amber Orr, District Director, Engineering attended a Pac West meeting on January 18 at the Ecology Office in Spokane. He provided an overview on the County's handling of the rezone and the conditional use permit application. He reported the District has suspended all work on the project until we receive the cost reimbursement agreement and term sheet from Pac West. Discussion was held.

Gretchen Koenig, member of the public, inquired if a transmission route had been selected at the meeting. Mr. Willenbrock reported that no routes have been selected.

SAFETY SPOTLIGHT:

Mr. Willenbrock reported there will be an opportunity to tour the fish passage project after lunch. He explained there are a number of safety concerns on the project to be aware of when on the tour. Mark Cleveland, District Director, Power Production reported a Labor & Industry claim is ongoing.

CUSTOMER SPOTLIGHT:

Libbey Bartel, District Chief Customer Service & Metering Officer reported Friday kicks off a Neighbors in Need Fundraiser. She reported 14 awards totaling \$3,000 have been awarded to our neighbors in need since October 2018. Staff is working with Rural Resources on this program and the fund has a balance of \$30,000 and her goal is to reach \$50,000 by the end of this year. There will be four individual fundraisers this year to reach that goal.

Commissioner Onley received a phone call from a member of the public on a potential biomass facility. The member will attend the February 5 Board meeting to discuss it with the Board.

COMMISSION REPORT:

The Commissioners attended Washington Public Utility Districts Association meetings on January 16 – 18 in Olympia and provided an overview. Discussion was held.

Commissioner Knapp attended an Energy Northwest (ENW) meeting on January 23 – 24 in Olympia and provided an overview. He was elected as President on the ENW Executive Board which is a 2-year term.

Commissioner Onley attended a Tri-County Economic Development District meeting on January 23 in Colville and provided an overview. He noted a Freedom of Information Act scam regarding former employees email accounts. Discussion was held.

COMMISSION BUSINESS:

The Commissioners will attend a Community Leaders Roundtable meeting on February 1 at the Camas Wellness Center in Usk.

BREAK/BUSINESS FROM THE PUBLIC:

No break was taken. Ms. Koenig asked for an update on the new high-density load projects and any contracts. Mr. Willenbrock reported the Kalispel Tribe of Indians Casino and grocery store is energized, the Newport Hospital Long Term Care Facility is hooked up and the Seattle City Light (SCL) Fish Hatchery is proceeding in the queue. There are two active cryptocurrency miners under contract with collateral security.

MANAGEMENT REPORT:

Mark Cleveland, Director, Power Production:

He reported Tim McMaster, District Power Production Manager is taking the lead on projects.

He and staff are finishing end of year reports with the Federal Energy Regulatory Commission (FERC) for dam safety. A dam break analysis for the Cusick dike was submitted to FERC.

He provided a fish passage update and reported a site visit and audit on the concrete issues will be held this Thursday. Liquidated damages are in effect. A punch list of items will be created for J.W. Fowler to complete. Work on the auxiliary spillway will continue once the crane is moved.

He provided a staff update and reported Stan Haney, District Hydro Mechanic Foreman will be retiring on March 15. Jeff Lund was hired to replace Pat Carroll as Project Manager for the Upstream Fish Passage project. Daniel Jaime was hired as a new Hydro Operator and will start on March 4.

Kenna Tornow, Communications & Public Contracts Manager:

She reported photos of the Board and staff will be taken following the February 5 Board meeting.

Scott Jungblom, Natural Resources Manager:

He reported field work slows down during the winter but staff continues to do upstream fishway studies.

He reported staff is working on annual reports for natural resource activities.

He provided a study plan development update and reported the total dissolved gas grid study equipment installation work may be done in-house.

Discussion was held regarding District and SCL working together on studies and projects.

Tyler Whitney, Chief Legal, Generation & Regulatory/Government Affairs Officer:

He reported since the government is open the monthly technical committee meetings can continue.

He is working on revising and/or combining some District policies.

He is working with Ms. Tornow on a more robust contract management system.

He and Bob Pebles, District Information Technology Manager will finalize the electronic records management.

He reported a Welch Comer study was done on the Cusick Water Treatment Plant Operations and the study will be presented to the Board during a February Board meeting.

Discussion was held regarding the Public Works Trust Board proposals.

ACTION ITEMS:

- Revised Governance Policy. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to approve the revised policy. The motion passed unanimously.
- Revised Travel & Other Business Expenses Policy. Discussion was held. This item was tabled to a February Board meeting.
- Damage Claim DC01152019. Discussion was held. This item was tabled for more information to be gathered.

- Unbudgeted Item – Pine Street Substation Construction. Mr. Willenbrock provided the details. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the item in the total amount of \$150,000. The motion passed unanimously.
- Unbudgeted Items – Trimble GPS Units (2). A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the two items in the total amount of \$18,447.37. The motion passed unanimously.

Discussion was held regarding the Public Disclosure Commission F1 Filing Report.

Mr. Willenbrock reported the District terminated the Power Supply department’s Shell Trading Real Time Scheduling program. District staff is meeting with Ponderay Newsprint Company staff on February 11 to discuss new opportunities.

Following a 30-minute working lunch and tour of the fish passage project, the meeting resumed.

There being no further discussion to come before the Board, the meeting adjourned at 1:00 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form