

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
December 3, 2019
NEWPORT CONFERENCE ROOM, NEWPORT, WA

Present: Curtis J. Knapp, President
Richard A. Larson, Vice President, via teleconference
Joseph B. Onley, Secretary, via teleconference (mid-meeting)

Staff Present: F. Colin Willenbrock, General Manager
Management/District Staff
Tyler R. Whitney, Chief Legal, Generation &
Regulatory/Government Affairs Officer
Karen Willner, Clerk of the Board

Others: Dan Peterson, Port of Pend Oreille Commissioner
Gretchen Koenig, Member of the Public
Steve Long, Frontier Communications Northwest

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

CONSENT AGENDA:

The minutes from the November 19, 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, December 3, 2019, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Larson approved the following:

- The minutes of November 19, 2019 meeting and the revised agenda for December 3, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 3728 through 3769 in the total amount of \$226,214.60; ACH payments in the total amount of \$206,802.62; Wire Transfers in the total amount of \$774,924.05; and ACH payroll transactions in the total amount of \$220,588.18 for the payroll ending November 15, 2019.

BUSINESS FROM THE PUBLIC:

Dan Peterson, Port of Pend Oreille Commissioner noted that he is attending today's meeting as an individual Port Commissioner and is not representing the Port. He is hopeful the Port, District, County and other entities can continue to work together for our community's economic development. Discussion was held. He thanked the Board and staff for allowing him to attend. Commissioners Knapp and Larson and Colin Willenbrock, District General Manager thanked him for attending.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 30-minute executive session on pending and/or potential litigation commenced at 9:15 a.m. The following were in attendance: Commissioner Knapp; Commissioner Larson, via teleconference; Colin Willenbrock, General Manager; and Tyler Whitney, Chief Legal, Generation & Regulatory/Government Affairs Officer. The executive session adjourned at 9:45 a.m. and the Board returned to open session. No final action was taken.

SAFETY SPOTLIGHT:

Jason Pimental, District Safety Coordinator provided an update. Discussion was held.

CUSTOMER SPOTLIGHT:

Libbey Bartel, District Chief Customer Service & Metering Officer provided a staffing update and reported Megan Malone, District Customer Service Representative (CSR) is transitioning to her new Accounts Payable Analyst job position. Arletta Hogan was hired as a CSR and will start at the District on December 16.

She reported the District's Children's Holiday gathering and Chili Cook-off will be held on December 14 in Newport and a gathering at Box Canyon will be held on December 20.

COMMISSION REPORT:

Commissioner Knapp reported he and Commissioner Onley attended an Economic Development Council (EDC) meeting on November 20 at the Camas Wellness Center. He reported it was a great meeting and Laura Verity, Management Systems Manager, Ponderay Newsprint Company (PNC) provided a PNC Overview presentation.

Suzie Thompson, District Human Resources Manager introduced Robert Forbes, District Systems & Network Operations Technician and reported he started on November 12. He provided his background. Commissioner Knapp welcomed him.

Ms. Thompson reported Nick Myers was hired as a Journeyman Tree Trimmer and started on November 25. Jeremy Byrd was hired as a Journeyman Lineman for Newport and started yesterday. Erin Cunningham was hired as a Payroll & Benefits Coordinator and will start on December 10.

COMMISSION BUSINESS:

Commissioner Larson will attend a Northwest Open Access Network Board and Annual meeting on December 11 in Spokane.

Commissioner Knapp will attend a WPUA Annual Conference tomorrow through Friday in Vancouver and an Energy Northwest meeting on December 10 – 11 in Tri-Cities.

ACTION ITEMS:

- Extension of Calispell Lake Grazing Leases. Mr. Whitney reported this is a 2-year extension with an option to seek early termination for convenience. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to authorize the general manager to execute the leases in substantially the same format, as presented. The motion was passed by Commissioner Larson and Commissioner Knapp.
- Resolution No. 1431 – 2020 Board Meetings Calendar. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to adopt the resolution and approve the calendar. The motion was passed by Commissioner Larson and Commissioner Knapp.
- Damage Claim DC11112019. Discussion was held. Based on staff recommendation, a motion was made by Commissioner Knapp and seconded by Commissioner Larson to pay the damage claim in the total amount of \$2,033.64. The motion was passed by Commissioner Larson and Commissioner Knapp. Staff will proceed as appropriate.
- Authorization to Apply for Public Works Broadband Funding. Mr. Whitney provided the details. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to let staff apply for and receive a public works grant funding to do a feasibility study on Community Network System fiber broadband expansion in north Pend Oreille County. The motion was passed by Commissioner Larson and Commissioner Knapp. Staff will proceed as appropriate.

BREAK/BUSINESS FROM THE PUBLIC:

There was no break taken. Gretchen Koenig, member of the public reported she attended the EDC meeting and thought Ms. Verity gave a good presentation on PNC.

BOARD WORKSHOP/GENERAL MANAGER'S REPORT:

Mr. Willenbrock provided details on the Generlink transfer switch device. Discussion was held.

Mr. Whitney reported on the Cusick water system. Discussion was held.

Mr. Willenbrock gave a labor report. Discussion was held.

Commissioner Onley joined the meeting, via teleconference.

Sarah Holderman, District Chief Treasury, Broadband & Strategic Planning Officer provided a budget summary update for a change on the debt payments. She provided an update on high density load customers. Discussion was held.

April Owen, District Chief Audit, Financial & Power Supply Officer reported the October financials will be coming. She reported there are new faces in the Finance department which is fully staffed and the new staff members are in training.

She reported Moss Adams will be on site and doing a full District audit during the first week in February. She reported Jeb Spengler, formerly with Piper Jaffray is now with Fitch Rating Agency. Dick Schober will temporarily serve in Mr. Spengler's capacity.

Following a 5-minute break, the meeting resumed.

PUBLIC HEARING – ELECTRIC SYSTEM RATE ADJUSTMENTS AND POLE ATTACHMENT RATES:

Pursuant to notice given to the Newport Miner, a public hearing to discuss and consider the Electric System rate adjustments and pole attachment rates was held at 11:00 a.m. There were three members of the public in attendance.

Ms. Holderman distributed handouts and provided a powerpoint presentation on the proposed Electric System rate adjustments and pole attachment rates. She explained a graph of historical Electric System rate increases by year. She noted that by being proactive and doing small incremental rate increases allows the District to be fiscally responsible and build necessary reserves. She reported staff is recommending a 1% Electric System rate adjustment increase for next year. She explained the impact to the residential, commercial and industrial customers. She provided an Electric System rates summary.

She provided a pole attachment rate background and explained the current rate is \$8. She reviewed the state mandated calculation for pole attachments in the usable space and support and clearance space costs and explained that based on this information, the calculated rate is \$29.51. She reported staff is proposing an intermediate rate of \$15.75. Discussion was held.

Commissioner Knapp asked if the members of the public had any comments or questions. Questions included an attachment definition, if the District would be following this definition and if multiple companies can use the same pole. Discussion was held.

Ms. Holderman reported the District must adopt a budget for 2020 by the Board at the December 17 Board meeting. Discussion was held. Commissioner Knapp thanked the members of the public for attending and asking questions.

Commissioners Larson and Onley thanked Ms. Holderman for her presentation.

There being no further discussion to come before the Board, the meeting adjourned at 11:43 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form