

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
November 6, 2018
NEWPORT CONFERENCE ROOM, NEWPORT, WA

Present: Daniel L. Peterson, President
Curtis J. Knapp, Vice President

Absent: Richard A. Larson, 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: Richard Schultz, Member of the Public

The meeting was called to order at 8:34 a.m. by Daniel L. Peterson, President.

CONSENT AGENDA:

The minutes from the October 30, 2018 meeting and today's 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, November 6, 2018, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Peterson approved the following:

- The minutes of October 30, 2018 meeting and the agenda for November 6, 2018.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 2066 through 2093 in the total amount of \$78,805.89; and ACH payments in the total amount of \$215,987.75.

BOARD WORKSHOP/GENERAL MANAGER'S REPORT:

Colin Willenbrock, District General Manager provided an overview of the meeting with the Federal Energy Regulatory Commission on October 29 in Washington, D.C. to discuss the proposed Amended Settlement Agreement and reported it was a good meeting.

He provided a Northwest Open Access Network (NoaNet) Board meeting update regarding the proposed line of credit for capital financing. A member vote for funding the loan is scheduled for the November 14 meeting in Olympia. Discussion was held.

He attended a Washington Public Utility Districts Association (WPUDA) Managers Committee meeting on October 24 – 25 in Pasco and provided an update. He reported there is a lot of discussion on budgets, bid limits for doing work in-house, fire suppression efforts, retire/rehire exemption, Bonneville Power Administration Energy Imbalance Market, energy load capacity, cyber security, culture surveys, and pole attachments. Discussion was held.

SAFETY SPOTLIGHT:

Mr. Willenbrock reported Paul Kiss left the District to take a Safety Coordinator job at Snohomish PUD. He reported the District advertised for a Safety Coordinator hire position and interviewed a job candidate this past week. He reported Labor and Industries is putting a big emphasis on hydro safety.

He reported Tim McMaster was hired as the Power Production Manager at Box Canyon and started on November 1. He is spending time cross-training in Newport and at Box Canyon. Discussion was held on safety meetings.

CUSTOMER SPOTLIGHT:

Libbey Bartel, District Customer Service Manager reported Wattson was a big hit with the trick-or-treaters on Halloween. She reported December 1 is the Children's Christmas Party. She reported a credit and collection services request for proposal was awarded to Online Utility Exchange to handle our credit evaluations and collections process.

Commissioner Peterson had a conversation with a customer regarding the LED lights effect on birds and people's eyesight.

Mr. Willenbrock provided an overview of the November 20 Townhall Meeting Agenda.

COMMISSION REPORT:

Commissioner Knapp attended a Public Utility Risk Management Services meeting on October 31 and November 1 in Seattle and provided an overview. Discussion was held.

Commissioner Peterson attended a Public Power Council meeting on November 1 and a Pacific Northwest Utilities Conference Committee annual meeting on November 2 in Portland. He provided an overview.

COMMISSION BUSINESS:

- North Pend Oreille Valley Lions Club Funding Request. Discussion was held. No action was taken due to a lack of a motion.

ACTION ITEMS:

- Drinking Water State Revolving Loan for Riverview and Sunvale Acres Water Systems. Mark Scott, District Water Systems Manager reported funding for the Riverview Water System is to install an arsenic removal system at an estimated cost of \$187,000 as a 20-year loan. He explained the process and options. He reported funding for the Sunvale Acres Water System is to replace the distribution main pipe. The cost estimate is \$660,000 as a 20-year loan. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Peterson to approve submittal of both loan applications. The motion passed unanimously.
- Bid Awards – Surplus Property, Aluminum Truck Box Cover and Boss V-Plow. A motion was made by Commissioner Knapp and seconded by Commissioner Peterson to approve the bid awards to the highest bidders, as presented. The motion passed unanimously.

BREAK/BUSINESS FROM THE PUBLIC:

Richard Schultz, a member of the public reported he is attending his first Board meeting. He is a freelance writer and is working on a story about the District for Ruralite magazine.

Following a 5-minute break, the meeting resumed.

BUDGET REVIEW:

Sarah Holderman, District Treasurer provided an overview of the labor and revenue assumptions. Tyler Whitney, District General Counsel/Director, Regulatory & Governmental Affairs reported on regulatory positions that include contract services for a biologist technician and an on-call fisheries technician.

Ms. Holderman provided an overview of the dues and memberships and capital expenditures. Mr. Willenbrock reported on a Community Network System (CNS) budget item.

April Owen, District Director, Finance/Auditor provided an overview on revenue assumptions for CNS and operations for residential, commercial and industrial customer loads. Discussion was held.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 10:52 a.m. The following were in attendance: Commissioner Peterson; Commissioner Knapp; F. Colin Willenbrock, General Manager; Kim Gentle, Director, Power & Risk Management; and Tyler Whitney, General Counsel/Director, Regulatory & Governmental Affairs. Ms. Gentle was excused at 11:00 a.m. After public announcement at 11:45 a.m., the executive session was extended for 45 minutes. The executive session adjourned at 12:30 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 12:31 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form