

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
September 11, 2018  
NEWPORT CONFERENCE ROOM, NEWPORT, WA

Present: Daniel L. Peterson, President  
Curtis J. Knapp, Vice President  
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: None

The meeting was called to order at 8:30 a.m. by Daniel L. Peterson, President.

On behalf of the Commission, Commissioner Peterson shared the Board's appreciation of District staff for their work on the bond rating process.

CONSENT AGENDA:

The minutes from the August 21, 2018 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, September 11, 2018, the Board, upon motion by Commissioner Larson and seconded by Commissioner Knapp approved the following:

- The minutes of August 21, 2018 meeting and the revised agenda for September 11, 2018.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 1729 through 1815 in the total amount of \$195,360.42; ACH payments in the total amount of \$463,776.02; Wire Transfers in the total amount of \$2,102,881.61; ACH payroll transactions in the total amount of \$245,153.38 for the payroll ending August 15, 2018; and ACH payroll transactions in the total amount of \$260,662.66 for the payroll ending August 31, 2018.

BOARD WORKSHOP/GENERAL MANAGER'S REPORT:

Colin Willenbrock, District General Manager acknowledged today being September 11 and encouraged everyone to do a small act of kindness today in recognition of our service members and those who lost their lives.

He and Commissioners Knapp and Larson attended a high-density load/crypto-currency roundtable with county commissioners on September 4 and they provided an overview. Discussion was held.

He provided a District records update and reported staff inventoried records at the meat locker storage facility last Friday with a goal to eventually tear down that facility. He reported Tyler Whitney, District General Counsel/Director, Regulatory & Governmental Affairs; Karen Willner, District Public Records Officer; and Bob Pebles, District Information Technology Manager are managing this task and a District Records Week to categorize District records is scheduled for September 17 – 21. The District has applied for a Washington State Records Grant with awards for round two granted on October 1.

He reported Kim Gentle, District Director, Power & Risk Management is participating in Bonneville Power Administration (BPA) transmission tariff negotiations.

Ms. Holderman reported a public hearing on water rates will be held on October 2 with proposed adjusted rates becoming effective November 1. A Citizens Water Committee meeting was held on August 17 with three water system representatives attending. She provided an overview of the proposed recommendations for the water rate adjustments. Discussion was held.

April Owen, District Director, Finance/Auditor reported bond pricing will be held on Thursday in Seattle. She explained the process to refinance all the 2009 Series A and B Box Canyon Production Revenue Bonds.

Mr. Willenbrock reported he will attend the Northwest Open Access Network (NoaNet) Board meeting tomorrow in Spokane.

#### SAFETY SPOTLIGHT:

Paul Kiss, District Safety Coordinator and Ms. Holderman met with an AEGIS insurance representative last week at the District regarding a District risk assessment. Topics included the safety messages the District sends out to its customers and ensuring that all messages are consistent. Ms. Owen reported the assessment was done through the Public Utility Risk Management Services and is done every three years.

Mr. Kiss and Commissioner Larson attended a Safety Day at the Selkirk School District on Friday to discuss safety with the students. Commissioner Larson commended Mr. Kiss on a great job in relaying the safety message, "Lines Down, Stay Away" to the students.

#### CUSTOMER SPOTLIGHT:

Libbey Bartel, District Customer Service Manager reported the customer service staff have developed communication messages for customers that includes putting messages on bill envelopes and on SmartHub. There are also doing informational brochures.

#### COMMISSION REPORT:

Commissioner Knapp attended an Economic Development Council (EDC) meeting on August 22 in Cusick that included a Congresswoman Cathy McMorris Rodgers roundtable session and a continued session at Pend Oreille County Courthouse in Newport, an Energy Northwest Participants Review Board meeting on September 5 in Portland, a Public Power Council (PPC) meeting on September 6 in Portland, a Pacific Northwest Utilities Conference Commission meeting on September 7 in Portland and participated in a Washington Public Utility Districts Association (WPUA) Awards Committee teleconference yesterday. He provided an overview. Discussion was held.

Commissioner Larson attended an EDC meeting on August 22 in Cusick that included a Congresswoman Cathy McMorris Rodgers roundtable session, a crypto-currency roundtable on September 4 in Newport, a Dam Safety Audit on September 6 in Ione and a Safety Day on September 7 in Metaline Falls. He provided an overview.

Commissioner Peterson attended a Congresswoman Cathy McMorris Rodgers roundtable on August 22 in Newport, a PPC meeting on September 6 in Portland and a BPA meeting on September 6 in Portland.

#### COMMISSION BUSINESS:

Commissioner Knapp will attend a meeting with Melannie Jones, Manager of Pend Oreille Valley Network later today.

Commissioner Larson will attend a NoaNet Board meeting tomorrow in Spokane.

Commissioner Peterson will attend WPUA meetings on September 12 – 14 in Pasco and an EDC meeting on September 19 in Ione.

ACTION ITEMS:

- Declaration of Surplus Property – Fleet Assets Chippers #090 and #091 and Truck #100. Discussion was held. Based on staff recommendation, a motion was made by Commissioner Knapp and seconded by Commissioner Larson to declare the fleet assets as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. The chippers are being traded into the dealer as part of the transaction for a new chipper and the truck will be taken to auction. The motion passed unanimously. Staff will proceed as appropriate.
- Declaration of Surplus Property – Information Technology (IT) Gear. Mr. Pebles provided the details. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Knapp to declare the IT gear as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District and recycle or donate to a local school district. The motion passed unanimously. Staff will proceed as appropriate.
- Declaration of Surplus Property – Miscellaneous Utility Power Poles and Pole Ends. Discussion was held. Based on staff recommendation, a motion was made by Commissioner Knapp and seconded by Commissioner Larson to declare the poles and pole ends as being no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Revised Line Extension Policy. Ms. Holderman explained the revisions. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to approve the revised policy. The motion passed unanimously.
- Damage Claim DC08152018. Amber Orr, District Director, Engineering provided the details. Discussion was held. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Knapp to deny the damage claim in the total amount of \$7,845.11. The motion passed unanimously.

BREAK/BUSINESS FROM THE PUBLIC:

Following a 5-minute break and no business from the public, the meeting resumed.

OPERATIONS STRATEGIC PLANNING:

Mr. Willenbrock provided a powerpoint presentation on the District's Operations Strategic Planning. He reported the purpose is to review the strategic planning process and explained the primary drivers behind the process and report. He recognized and thanked staff and agencies who participated in this process. Kevin Conway, District Compliance and Training Manager, was tasked with commissioning the investigation and report.

He provided an overview of District power resources; Electric System resource allocation; Box Canyon Production System capital projects, generation statistics, costs and labor; Ponderay Newsprint Company risk mitigation; and operations options and recommendations. Discussion was held.

EXECUTIVE SESSION – REVIEW OF PERFORMANCE OF A PUBLIC EMPLOYEE:

A 10-minute executive session on review of performance of a public employee commenced at 11:50 a.m. The following were in attendance: Board of Commissioners: F.

Colin Willenbrock, General Manager; Tyler Whitney, District General Counsel/Director, Regulatory & Governmental Affairs; and Lloyd Clark, Director, Safety & Human Resources. The executive session adjourned at 12:00 p.m. and the Board returned to open session. No final action was taken.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 90-minute executive session on pending and/or potential litigation commenced at 12:00 p.m. The following were in attendance: Board of Commissioners: F. Colin Willenbrock, General Manager; April Owen, Director, Finance/Auditor; and Tyler Whitney, General Counsel/Director, Regulatory & Governmental Affairs. The executive session adjourned at 1:24 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 1:25 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form