

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
June 5, 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, Director of Regulatory & Governmental  
Affairs/General Counsel  
Karen Willner, Clerk of the Board

Others: Don Gronning, Newport Miner

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

CONSENT AGENDA:

The minutes from the May 29, 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, June 5, 2018, the Board, upon motion by Commissioner Larson and seconded by Commissioner Knapp approved the following:

- The minutes of May 29, 2018 meeting and the revised agenda for June 5, 2018.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 1395 through 1424 in the total amount of \$143,852.43; ACH payments in the total amount of \$95,280.85; and Wire Transfers in the total amount of \$6,816,268.20.

BOARD WORKSHOP/GENERAL MANAGER'S REPORT:

F. Colin Willenbrock, General Manager:

He provided an overview of District succession planning due to upcoming retirements.

Don Gronning, Newport Miner joined the meeting.

Commissioner Larson reported discussion regarding customer service at Box Canyon and fiber broadband in north Pend Oreille County occurred during the last PUD Breakfast meeting at Box Canyon. He provided an overview. Discussion was held.

He referred to a Newport Miner article on high-density load and reported there will be an upcoming Board Workshop to discuss high-density load pricing and the District's strategy going forward. Discussion was held.

SAFETY SPOTLIGHT:

Discussion was held regarding safety reports, crew reports and schedules, outage reports, safety as it relates to your health, and outage coordination.

CUSTOMER SPOTLIGHT:

Discussion was held regarding customer billing budget and annual payments, SmartHub bill payment system, Operation Round Up program and "Wattson the Lightbulb" District mascot.

### COMMISSION REPORT:

Commissioner Larson attended an Economic Development Council meeting on May 16 in Cusick and provided an overview on the Economic Study; a PUD Breakfast on May 18 at Box Canyon; and an evening Board meeting on May 29 at the Cutter Theatre.

Commissioner Peterson attended a Northwest Public Power Association Annual Conference on May 18 – 24 in Boise and a Newport/Oldtown Chamber of Commerce meeting yesterday in Newport. He provided an overview.

### COMMISSION BUSINESS:

- North Pend Oreille Lions Club Golf Event Funding Request. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to donate insurance cost of \$235 which will be funded through advertising. The motion passed unanimously.

Commissioner Knapp will attend a Public Utility Risk Management Services meeting on June 6 – 7 in Seattle; a Community Economic Revitalization Board (CERB) meeting on June 12 in Newport; and a Northwest Open Access Network Board meeting on June 13 in Spokane. Discussion was held regarding the CERB meeting.

### ACTION ITEMS:

- Power Supply Consultant Agreement, Contract No. 18-012. Mr. Willenbrock provided the details. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to authorize the general manager to execute the agreement. The motion passed unanimously.
- Personal Services Agreement - System Inventory Project, Contract No. 18-011 System Inventory Project. Amber Orr, District Director, Engineering provided the details. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to authorize the general manager to execute the contract. The motion passed unanimously.
- Boundary Automatic Rate Adjustment. Sarah Holderman, District Treasurer provided the details. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to approve a zero rate adjustment. The motion passed unanimously.
- Agreement for Legal Services, Contract No. 18-016. Tyler Whitney, District General Counsel/Director, Regulatory & Governmental Affairs provided the details. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to authorize the general manager to execute the agreement. The motion passed unanimously.

### BREAK/BUSINESS FROM THE PUBLIC:

Following a 5-minute break, the meeting resumed.

### FINANCE UPDATE:

April Owen, District Director, Finance/Auditor and Ms. Holderman provided a 2017 and 2018 actual versus budgeted financial forecast. Discussion was held.

Ms. Owen reported District staff is heading to New York next Wednesday and Thursday for a Moody's Bond Rating presentation. Discussion was held.

The Board thanked Ms. Owen and Ms. Holderman for their presentation.

Discussion was held regarding the draft 2017 Annual Report.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 30-minute executive session on pending and/or potential litigation commenced at 11:00 a.m. The following were in attendance: Board of Commissioners; F. Colin Willenbrock, General Manager; and Tyler Whitney, General Counsel/Director, Regulatory & Governmental Affairs. Mr. Whitney publicly announced a 20-minute extension at 11:30 a.m. Mr. Whitney publicly announced a 10-minute extension at 11:50 a.m. The executive session adjourned at 12:00 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 12:01 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form