

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
October 30, 2018
BOX CANYON DAM, IONE, WA

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

Absent: Richard A. Larson, Secretary

Staff Present: April Owen, Director, Finance/Auditor
Management/District Staff
Karen Willner, Clerk of the Board

Absent: F. Colin Willenbrock, General Manager
Tyler Whitney, General Counsel/Director, Regulatory &
Governmental Affairs

Others: None

The meeting was called to order at 9:00 a.m. by Daniel L. Peterson, President.

CONSENT AGENDA:

The minutes from the October 16, 2018 meeting, the October 26, 2018 special 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, October 30, 2018, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Peterson approved the following:

- The minutes of October 16, 2018 meeting, October 26, 2018 special meeting and the agenda for October 30, 2018.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 1995 through 2065 in the total amount of \$268,666.37; ACH payments in the total amount of \$149,395.65; Wire Transfers in the total amount of \$1,037,068.11; and ACH payroll transactions in the total amount of \$244,002.57 for the payroll ending October 15, 2018.

BOARD WORKSHOP:

April Owen, District Director, Finance/Auditor provided an overview of the September 2018 Financial Report and reported the report does not reflect the recent bond sale. She reported revenues and generation are good and that a high-density load customer was energized this week. Discussion was held.

SAFETY SPOTLIGHT:

Ms. Owen reported Paul Kiss, District Safety Coordinator is leaving the District and that a job opening for his position was advertised. The District has received a number of qualified candidate applications and job interviews are being scheduled.

CUSTOMER SPOTLIGHT:

Ms. Owen reported the District is hosting children tomorrow for the Newport Halloween Trick-or-Treat event from 3:00 – 5:00 p.m. The customer service representatives will be participating by dressing up and handing out candy to the children.

She provided a Ponderay Newsprint Company (PNC) update and reported she is continuing to meet monthly with Steve Wood, PNC Controller to review PNC's bill. She met with him yesterday and he had questions related to an upcoming partner meeting and the audit that was included in the settlement agreement.

She reported Kim Gentle, District Director, Power & Risk Management and Brenda Miller, District Process Analyst are involved in settlement negotiations with the Bonneville Power Administration on transmission tariffs that affect the District's customers, including PNC. She reported Colin Willenbrock, District General Manager met with Myron Johnson, PNC Manager on October 11 on remarketing efforts. They continue to meet quarterly.

COMMISSION REPORT:

Commissioner Knapp attended a legislative luncheon/meeting yesterday in Colville and provided an overview. He attended an Energy Northwest meeting and member forum on October 23 – 26 in Pasco and reported electrical vehicle infrastructure was a main topic. Discussion was held. He attended a Breakfast with PUD on October 19 in Newport and commended Lisa Curry, District Customer Service Representative on her presentation to the group.

Commissioner Peterson attended the legislative luncheon/meeting yesterday in Colville.

COMMISSION BUSINESS:

Commissioner Knapp will attend a Public Utility Risk Management Services meeting on October 31 – November 1 in Seattle.

Commissioner Peterson will attend a Public Power Council meeting on October 31 – November 1 in Portland and a Pacific Northwest Utilities Conference Committee Annual meeting on November 2 in Portland.

BREAK/BUSINESS FROM THE PUBLIC:

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

MANAGEMENT REPORT:

April Owen, Director, Finance/Auditor:

She provided a high-density load (HDL) update and reported a new customer was energized this week and they have a contract in hand. They have until November 6 to execute the contract. She reported the District has energized two of three HDL customers and we continue to receive inquiries but no more applications have been submitted recently. Discussion was held.

She followed up on the HDL contract template which was previously approved by the Board. She explained staff is considering the idea of pre-pay versus an upfront deposit and has settled on a 2-month liquid or cash deposit and the remaining balance to be covered with a line of credit. A HDL customer has requested to pre-pay and she explained the financial and administrative details. She reported this would be an adjustment to the base contract if the District offered that option.

She distributed and explained a draft 2019 Production budget summary and reported on the major changes for next year for Box Canyon, including the potential Box Canyon license amendment and associated payments. Discussion was held. She reported staff continues to work on the budget and determining what the loads will be next year.

Mark Cleveland, Director, Power Production:

He reported J.W. Fowler Company is projecting a completion date for the upstream fish passage at the end of December. They are slowly progressing with the project. Discussion was held.

He reported Campbell Pond breached at the bank and the District will have its inspector investigate the cause.

He reported Tim McMaster was hired as Power Production Manager to fill his job position due to his upcoming retirement. Mr. McMaster will start on November 1. He provided a staffing update.

Kenna Tornow, Communications & Public Contracts Manager:

She reported District staff will attend a Diversity & Inclusion Training tomorrow in Newport. The training focuses on Native American cultures.

She reported the PUD Children's Christmas Party will be held on December 1.

Scott Jungblom, Natural Resources Manager:

He reported a request for proposal for a Biologist Support person for the upstream fish ladder was advertised. He received two qualifying bids and Stone Fly Consultants was selected. They will start the first of the year for a 1-year contract.

He reported four on-call employees to help with the District's fisheries work were on boarded. The electroshocking work has begun. Discussion was held.

He reported staff has been coordinating with Seattle City Light biologists for tagging fish. He reported Avista is constructing a fish ladder at Cabinet Gorge and took a tour of our fish ladder project. Thompson Falls Dam staff is also showing interest in our fish ladder project. He has been receiving other inquiries.

He reported staff is wrapping up field work. Staff is also transitioning from the harvester to the aquamog milfoil machine.

Following a tour of the Box Canyon Upstream Fish Passage project and a 30-minute working lunch, the meeting resumed.

There being no further discussion to come before the Board, the meeting adjourned at 12:00 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form