

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
June 19, 2018  
NEWPORT CONFERENCE ROOM, NEWPORT, WA

Present: Daniel L. Peterson, President  
Richard A. Larson, Secretary

Absent: Curtis J. Knapp, Vice President

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: Seven Members of the Public

The meeting was called to order at 8:00 a.m. by Daniel L. Peterson, President.

CONSENT AGENDA:

The minutes from the June 5, 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 19, 2018, the Board, upon motion by Commissioner Larson and seconded by Commissioner Peterson approved the following:

- The minutes of June 5, 2018 meeting and the revised agenda for June 19, 2018.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 1425 through 1467 in the total amount of \$32,217.81; ACH payments in the total amount of \$117,509.40; Wire Transfers in the total amount of \$240,995.66; and ACH payroll transactions in the total amount of \$266,011.00 for the payroll ending May 31, 2018.

Staff and public member introductions were provided.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager and Brenda Miller, District Process Analyst provided details on the Washington State University Renewable Energy System Incentive Program. Discussion was held.

- Washington State University Renewable Energy System Incentive Program. The Board was in agreement for Mr. Willenbrock to proceed.

Mr. Willenbrock reported he and staff went to New York last week for a Moody's Rating Agency bond presentation. He commended April Owen, District Director, Finance/Auditor and Sarah Holderman, District Treasurer for giving a great presentation and providing good information at the meeting. He provided details of the meeting and reported the District should hear back from Moody's in the next few weeks.

LARGE/HIGH DENSITY LOAD WORKSHOP:

Mr. Willenbrock reported Ms. Gentle and a committee have been working on this matter and the District wants to make the best decisions and in the best interest to the District and our customers.

Ms. Gentle provided a powerpoint presentation on the District's large and high density loads. She commended the following District staff for their efforts with this project: Lisa Curry, Customer Service Representative (CSR); Amy Sawyer, Project Coordinator, Engineering & Operations; Dan Hoogheem, Distribution Field Engineer; Amber Orr, Director, Engineering; Brenda Miller, Process Analyst; Robert Fritz, Community Network System Supervisor; Libbey Bartel, Customer Service Manager; Chris Jones, Director, Operations/Superintendent and his team; Sarah Holderman, Treasurer; April Owen, Director, Finance/Auditor; Alyssa Larion, CSR; and David Nichols, Engineering Manager.

Christopher McKey, Energy West, LLC reported they work with utilities to maximize the energy load and to make sure electricity is priced appropriately. He appreciates the opportunity to be here and to support the District.

Tyler Whitney, District General Counsel/Director, Regulatory & Governmental Affairs introduced Thomas Grim and Richard Lorenz, Attorneys with Cable Huston, LLP who are working with Energy West, LLC and providing synergy with the District. Mr. Grim reported their firm represents utilities in contracting with retail load and experience and appreciates the opportunity to work with the District.

Ms. Gentle explained the process, risks and opportunities involved. Discussion was held. She reported the District is currently in load resource balance. Current load growth and new load impacts were reviewed. Bitcoin, Block Chain and Server Farm technologies were explained. Discussion was held.

#### BREAK/BUSINESS FROM THE PUBLIC:

Following a 5-minute break, the meeting resumed.

Jared Horton, Real Life Ministries appeared before the Board to thank them for their contribution to the Happy Feet Campaign.

#### SAFETY SPOTLIGHT:

Discussion was held regarding the death of a Chelan County PUD employee. Paul Kiss, District Safety Coordinator provided the details of what happened. The Board congratulated Mr. Kiss for receiving an IBEW Local 77 service award. Mr. Kiss emphasized the importance of being aware of students being out of school and summer traffic.

#### CUSTOMER SPOTLIGHT:

Discussion was held regarding an anonymous contribution of \$500 to the Neighbors in Need Low Income Assistance Program; this weekend's Newport Rodeo Parade and the Down River Days Parade at the end of July.

#### COMMISSION REPORT:

There was no commission report.

#### COMMISSION BUSINESS:

- Scenic Pend Oreille River Train Funding Request. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Peterson to sponsor at the Gold level of \$500. The motion passed unanimously.

Commissioner Peterson will attend a Community Leaders Roundtable meeting on June 22 in Usk and a PUD Breakfast meeting on June 22 in Newport. Kenna Tornow, District Communications & Public Contracts Manager provided breakfast meeting details.

Commissioner Larson will attend an EDC meeting tomorrow in Ione and a North Pend Oreille Chamber of Commerce meeting on June 27 in Ione.

## ACTION ITEMS:

- Water System Applications for Service. Mr. Whitney provided the details. This item was tabled until later.
- Declaration of Surplus Property – Fleet Asset #121. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Peterson to declare Fleet Asset #121 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. The staff will proceed as appropriate.
- Unbudgeted Item – Box Canyon Voltage Control Project. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Peterson to approve the unbudgeted item in the total amount of \$15,000. The motion passed unanimously.

David Nichols, District Engineering Manager provided details for the Box Canyon Voltage Control project.

- Water System Applications for Service (continued). Mark “Bubba” Scott, District Water Systems Manager provided the details. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Peterson to approve the applications. The motion passed unanimously.

Mr. Scott provided an update on the District’s water facilities during the river flooding event.

## MANAGEMENT REPORT:

### Mark Cleveland, Director, Power Production:

He reported the river flows are going up due to the Army Corps of Engineers filling Lake Ponderay. The flows will be increased for a couple of days and then will decrease.

He reported this past weekend one of the turbine units tripped off twice due to a faulty exciter from the supplier. Staff elected to leave the unit offline due to the low power prices. He is in communications with Ms. Gentle on the power prices and to see if the unit will go back online.

He is working with Lloyd Clark, District Director, Safety & Human Resources to advertise for an Administrative Assistant, Production hire position due to Jane Emrick’s upcoming retirement. He reported James Massey was hired as a Hydro Operator and is in rotation. He reported Dick Zimmerman, District Power Supply Operator is retiring on June 29.

He reported cameras are being installed at Sullivan Lake per a compliance requirement.

He reported bids went out for a Sullivan Dam break analysis and for an audit on the dam safety program which is a 5-year Federal Energy Regulatory Commission (FERC) requirement. Discussion was held.

### Mark Scott, Water Systems Manager:

He provided an update on the sandbagging that occurred during the river flooding event and reported that bottled water was delivered to customers. The District did a precautionary boil water advisory for the Riverbend and Sandy Shores Water Systems. He reported the milfoil machines should soon be going back in the river.

### Libbey Bartel, Customer Service Manager:

She reported the Newport Rodeo Parade will be held this Saturday with the CSRs hosting. The focus is on customer service.

She reported two CSRs have swapped positions due to on-going cross-training in the department.

Kenna Tornow, Communications & Public Contracts Manager:

She reported the next PUD Breakfast meeting is scheduled for July 27 and the topic is safety.

She reported traffic on the District's Facebook page doubled. The District has gained 400 followers since September for a current total of 1,400 followers and there is an increase in reach from 200 to 1,200 people.

Paul Kiss, Safety Coordinator:

He reported summer student helpers continue to arrive. He has met with all the students and has emphasized safety awareness. Discussion was held.

He reported employee incident reporting is increasing which is a good thing. A summer student helper reported on an incident that occurred with barb wire and how wearing personal protective equipment prevented further injury. Discussion was held.

He and Autumn Rice, District Administrative Assistant, Regulatory Affairs are working on the Pend Oreille County Hazard Mitigation Plan. The survey is on our website and on Facebook.

He is continuing to work on the WAC and District safety manuals.

Lloyd Clark, Director, Safety & Human Resources:

He reported leadership training will be held this Thursday with 15 District staff in attendance.

He reported candidate interviews for the Mechanic hire position are scheduled for July 9.

He will start the job advertising process for Ms. Emrick's job position.

He reported that ICMA will be at the District on June 27 in Newport and on June 28 at Box Canyon to meet with employees.

He reported employee mid-year reviews are in process.

Tyler Whitney, General Counsel/Director, Regulatory & Governmental Affairs:

He reported FERC has approved the District's Recreation Management Plan, which includes the District and Forest Service's plan for mitigating crowding at Pioneer Park Campground. Ms. Rice and Ms. Tornow are working on a survey brochure which will be posted on the District's website and at the campgrounds. The brochure should be done by July 4.

He reported field work is progressing as it relates to stream work and water quality. He had a meeting with Kalispel Tribe staff and reported good progress is being made on the Kalispel Tribe deal.

He and Mr. Willenbrock attended a Municipal & PUD Attorneys meeting on June 7 in Chelan and reported there were good presentations and updates on cryptocurrency, high density load and electric vehicle charging stations. Mr. Willenbrock provided presentation details. Discussion was held.

Following a working lunch, the meeting resumed.

There being no further discussion to come before the Board, the meeting adjourned at 12:30 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form