

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
February 27, 2018  
NEWPORT CONFERENCE ROOM, NEWPORT, WA

Present: Daniel L. Peterson, President, via WebEx  
Curtis J. Knapp, Vice President  
Richard A. Larson, Secretary

Staff Present: F. Colin Willenbrock, General Manager  
Management/District Staff  
Karen Willner, Clerk of the Board

Others: Six Members of the Public

The meeting was called to order at 8:30 a.m. by Curtis J. Knapp, Vice President.

CONSENT AGENDA:

The minutes from the February 13, 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, February 27, 2018, the Board, upon motion by Commissioner Peterson and seconded by Commissioner Larson approved the following:

- The minutes of February 13, 2018 and the revised agenda for February 27, 2018.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 900 through 947 in the total amount of \$308,973.88; ACH payments in the total amount of \$139,271.47; Wire Transfers in the total amount of \$1,395,680.74; Safety Awards in the total amount of \$9,658.25; and ACH payroll transactions in the total amount of \$230,167.34 for the payroll ending February 15, 2018.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager reviewed the draft Records Management Policy for the Board's consideration today. He explained the records process that will occur and explained the importance of the District's records management. Discussion was held.

SAFETY SPOTLIGHT:

Paul Kiss, District Safety Coordinator expressed his appreciation to everyone for their patience during his safety role change and he is excited about the District's safety direction. He reported on a recent safety situation. Discussion was held.

Mr. Willenbrock emphasized the need to have safety procedures and protocols in place not only for District staff but for contractors who work for the District. Mark Cleveland, District Director Power Production reported that a letter to have a designated safety person on the job site at all times will be drafted and mailed to J.W. Fowler Company.

Mr. Willenbrock noted the importance to point out the designated District fire extinguishers, exits, restrooms, defibrillators, etc. at the beginning of each Board meeting for the attending public members.

CUSTOMER SPOTLIGHT:

Discussion was held regarding customer payments.

### COMMISSION REPORT:

Commissioner Larson attended an Economic Development Council meeting on February 21 in Cusick and provided an overview. Discussion was held.

Commissioner Knapp attended Washington Public Utility Districts Association (WPUDA) meetings and a PUD Day on the Hill event on February 14 – 16 in Olympia and provided an overview.

Commissioner Peterson attended the WPUDA meetings, via teleconference on February 14 – 16, a Newport/Oldtown Chamber of Commerce meeting to meet a newly appointed Newport Police Chief on February 20 in Newport, and legislative meetings today and tomorrow in Washington, D.C. Discussion was held.

### COMMISSION BUSINESS:

- Cutter Theatre Auction Donation Request. Discussion was held. No action was taken due to a lack of a motion.
- Cutter Theatre 2018 Corporate Sponsorship Request. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Peterson to do a \$1,000 sponsorship and to have a customer raffle for the included tickets. The motion passed unanimously.

### ACTION ITEMS:

- Damage Claims DC01022018, DC01152018, DC01232018, DC01042018, DC01052018, and DC12292017. Chris Jones, District Director, Operations/Superintendent provided the details. Discussion was held. Based on staff recommendation, a motion was made by Commissioner Peterson and seconded by Commissioner Larson to approve the listed damage claims in the amounts of \$753.20, 299.00, 357.99, 840.17, 564.90, and 365.51, respectively. The motion passed unanimously.
- Records Management Policy. A motion was made by Commissioner Larson and seconded by Commissioner Peterson to approve the policy. The motion passed unanimously.

### BUSINESS FROM THE PUBLIC:

Citizens Against the Newport Silicon Smelter (CANSS) group members were in attendance. They gave a number of group members and named the entities who are opposing the HiTest Sand smelter. Commissioner Larson asked if the members had any questions the District could address. A member inquired what the District was going to do about the HiTest smelter going forward and what the District was doing with the Bonneville Power Administration (BPA) on the access road and state line road where the HiTest property is located. Mr. Willenbrock reported the District is working with BPA on a feasibility study process and that information is available through BPA.

The Board thanked the group members for attending.

### MANAGEMENT REPORT:

#### F. Colin Willenbrock, General Manager:

- Staff will meet with Ponderay Newsprint Company (PNC) staff in early March.
- He received a message from Therese Hampton, Executive Director at the Public Generating Pool (PGP) who inquired if the District would be interested in rejoining PGP.

- He attended a Central Washington Public Utilities meeting on February 23 in Spokane and provided an overview. Discussion was held.

Kenna Tornow, Communications & Public Contracts Manager:

She has received about 40 responses to the District and Colville National Forest Campsite Feedback Survey. A meeting was held yesterday to review the responses and to push the survey out to other areas in March.

She distributed and explained a handout on the proposed Carbon Bill and credits that the District could potentially receive. Mr. Willenbrock provided an overview.

Lloyd Clark, Director, Safety & Human Resources:

He reported a candidate interview for the Engineering Manager hire position will be held on March 9.

He reported the District's safety meeting format involves more topics from leadership and how to get information out to staff more efficiently and effectively. A list of employees for the safety committee is being compiled.

BREAK/BUSINESS FROM THE PUBLIC:

A CANSS group member inquired about the District's bond ratings. Mr. Willenbrock reported the District is currently working on the process as part of its preparation for future issuances.

MANAGEMENT REPORT (continued):

Bob Pebles, Information Technology Manager:

He reported the District has rolled out a Document Vault program through the National Information Solutions Cooperative (NISC) iVUE system and it went live on February 19. Staff is currently working with the Accounting department to scan documents. He is working with Karen Willner, District Public Records Officer on District records retention.

He reported a District SharePoint site was rolled out and staff is educating other departments on how to use it.

Robert Fritz, Community Network System Supervisor:

He reported staff is working around the snow and road restrictions. He provided an update on the Highway 41 Bridge relocation project and reported the Electric department is currently doing a lot of the work and then the Community Network System (CNS) staff will move the fiber on to the poles.

He reported staff is working through Internet Protocol Television issues which have been identified and are working with Zhone Technologies on a solution. He provided the details.

He reported the District has approximately 1,890 fiber broadband customers. April Owen, District Director, Finance/Auditor added that CNS had a 17% growth in 2016 and 2017. A few seasonal customers will be reconnecting in April and there are new fiber customer applications that have been submitted.

Mark Cleveland, Director, Power Production:

He reported staff is looking at the snowpack to assess the impact of the river flows.

He reported work on the Mill Pond Dam removal is on hold during the winter.

He reported gate repairs are happening at Sullivan Lake. The county is proposing to replace the bridge in the spring. Meetings with the county engineer will be held for scheduling the project.

He reported Power Lake is full and is starting to spill and Calispell Powerhouse is online.

He is waiting to hear back from the Kalispel Tribe on their proposals to FERC regarding the sewer line in the dike for the casino in Cusick.

He reported on upcoming employee retirements and is working on succession planning.

He is working with Kevin Conway, District Compliance & Training Manager on the site security control for fencing and boundaries at the Box Canyon Visitor's Center.

Kevin Conway, Compliance & Training Manager:

He and staff are reviewing the transmission operator (TOP) deregistration process and procedures. They are fixing some procedures and looking at the physical assets impacts and protections during the process.

He reported the FERC 17 Report is done and the self-certification process is done and ahead of schedule.

He is working with Amber Orr, District Director, Engineering and David Nichols, District Engineering Manager on a draft of the BPA Transmission Planner (TP) registration. He explained the differences between TOP and TP and reported TOP is the operational aspect and BPA does the TP aspect. The District makes sure that BPA receives all the information for the TP. Discussion was held.

He is monitoring the Peak Reliability Coordinator (RC). They have given notice that they want to form their own RC services and the District has received letters from Peak RC that they want to withdraw. He reported there are a number of questions and unknowns yet to be answered and he will provide more information at a later date.

Mr. Willenbrock reported the next District breakfast meeting will include District regulations and compliance information.

Chris Jones, Director, Operations/Superintendent:

He attended an East/West Operations Superintendent meeting on February 22 – 23 in Pasco and reported topics of discussion included mutual aid, safety, union, and Labor & Industries inspections. He provided an overview of other utility's safety issues.

He reported crews are working on the Highway 41 Bridge project. The poles are installed, switching is done, tying in the circuits today and an outage is scheduled for tomorrow. Staff will start looking at a long term permit for the crossing.

He reported crews are working with and doing training on the NISC new mobile workforce program which will go live next week.

He reported the county road restrictions are still in effect but the county is willing to give permits to the District if needed.

He received notification from the county that they are moving forward with the Indian Creek Bridge project and a meeting is scheduled for next week.

He reported the Foreman for Ione selection process is done. J.L. Chantry was selected as the Line Foreman for Ione and Jim Reed was selected as the Serviceman for Ione. Tanner Williams, District Journeyman Lineman is filling in for the north linemen crew.

April Owen, Director, Finance/Auditor:

She reported the District audit is finished and is in review with Moss Adams auditors which will take a couple of weeks. She provided an overview of the highlights from 2017.

She provided a financial overview and reported there were no significant payments made in February. The year-end W9s and W2s were mailed at the end of January.

She will participate in an initial phone call discussion with Fitch Rating Agency today and will then follow up with Moody's Rating Agency on the timing of the next bond issuance.

She is hand delivering the PNC bill today for the January true-up and the March estimate. She explained the bill will list a number of PNC settlement items and she is in discussions with Steve Wood at PNC regarding those items. Mr. Willenbrock provided an overview of the settlement items allocation on PNC's bill. Discussion was held.

Kim Gentle, Director, Power & Risk Management:

She reported the general service load was the third highest all-time peak on February 21. She explained that was a full week of heavy loads and customers will see high power bills coming in March.

She reported West One 17 has completed its term sheet and deposits. She will bring the contract before the Board for review at the next Board meeting with consideration scheduled at the March 20 Board meeting.

She reported that another high density load company has completed its application and five active customers are inquiring about high density load.

She reported BPA had a kickoff meeting. The District has received the second deposit from HiTest Sand and is waiting on the feasibility study results.

She reported the PNC settlement has optimized the concept of non-firm surplus power with forecasting.

Mark Cauchy, Director, Regulatory & Environmental Affairs:

He is working with staff on his job position transition due to his upcoming retirement to make sure the resource areas are covered.

He reported there is a renewed interest on the North Sullivan Creek surplus property. A legal advertisement is being considered for interested bidders.

He reported the FERC Annual Report will be finished at the end of this week and then it will be submitted to the agencies.

He reported Scott Jungblom, District Resource Biologist and Autumn Rice, District Administrative Assistant, Regulatory Affairs attended the Northwest Hydroelectric Annual Conference on February 21 – 23 in Portland.

Libbey Bartel, Customer Service Manager:

She and staff are preparing for a staffing transition in March due to a customer service representative's (CSR) retirement and the recent hiring of two CSRs.

Following a 1-hour working lunch, the meeting resumed.

There being no further discussion to come before the Board, the meeting adjourned at 1:00 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form