

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
May 15, 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: 9 Members of the Public
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 1, 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, May 15, 2018, the Board, upon motion by Commissioner Larson and seconded by Commissioner Knapp approved the following:

- The minutes of May 1, 2018 meeting and the revised agenda for May 15, 2018.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 1286 through 1345 in the total amount of \$276,592.59; ACH payments in the total amount of \$881,802.46; Wire Transfers in the total amount of \$148,716.47; and ACH payroll transactions in the total amount of \$259,331.54 for the payroll ending April 30, 2018.

BOARD WORKSHOP:

F. Colin Willenbrock, District General Manager reported he and the Board of Commissioners attended a Northwest Open Access Network (NoaNet) Board meeting on May 9 and a Washington Public Utility Districts Association (WPUDA) Telecom Workshop on May 9 – 10 in Spokane. He attended a WPUDA Spring Managers meeting on May 11 in Spokane. He commended Robert Fritz, District Community Network System (CNS) Supervisor for his presentation at the telecom workshop. He noted that Mr. Fritz and Dario Nila, District CNS System Specialist are doing a great job managing the District's fiber program. A Board Workshop will be held in June or July to discuss technologies.

He provided a NoaNet Board meeting update and a WPUDA Spring Managers meeting update. Discussion was held.

SAFETY SPOTLIGHT:

Discussion was held regarding establishing a safety network with other utilities; distracted driving fines for commercial driver's licensees; and a new law that becomes effective in June to make drivers pull in to the next lane if there is a utility truck with its lights on along the road.

MANAGEMENT REPORT:

Mark Scott, District Water Systems Manager reported staff will be sandbagging at Sandy Shores Water System on Thursday. The river is on the rise and the county has delivered sandbags. Staff will sandbag at Riverbend Water System to protect the pump house. There is an emergency meeting today at 10:00 a.m. at the county. Tyler Whitney, District Director, Regulatory & Governmental Affairs/General Counsel reported Mr. Scott and his watermen have done a fantastic job sandbagging and taking necessary precautions. Mr. Scott reported both milfoil machines will be moved to higher ground.

Commissioner Peterson attended an Army Corps of Engineers public meeting on Friday in Cusick and he commended Scott Jungblom, District Resource Biologist for doing a great job explaining the run of the river and providing information to the attendees.

Mr. Willenbrock reported the District is actively monitoring its electric infrastructure. Discussion was held. Commissioner Peterson reported the Corps and Albeni Falls Dam staff did a great job presenting at the meeting.

CUSTOMER SPOTLIGHT:

Discussion was held regarding the county flooding and keeping customers safe.

COMMISSION REPORT:

The Board of Commissioners attended a NoaNet Board meeting on May 9 and a WPUA Telecom Workshop on May 9 – 10 in Spokane.

Commissioners Peterson and Knapp attended a Kalispel Tribe Casino Ribbon-Cutting Ceremony on May 2 and a Newport/Oldtown Chamber of Commerce Member Breakfast meeting this morning in Newport where discussion included the casino opening at the end of November. Mr. Willenbrock reported the District is waiting on load calculations for the casino and he commended Amber Orr, District Director, Engineering; Amy Sawyer, District Project Coordinator, Engineering & Operations; and Chris Jones, Director, Operations/Superintendent for doing a great job in managing this project.

Commissioner Peterson attended a Public Power Council meeting on May 2 – 3 in Portland.

COMMISSION BUSINESS:

Commissioner Larson will attend an Economic Development Council (EDC) meeting tomorrow in Cusick, a PUD Breakfast meeting on May 18 at Box Canyon, a Tri-County Economic Development District meeting on May 23 in Colville and a North Pend Oreille County Chamber of Commerce meeting on May 23 in Metaline Falls.

Commissioner Knapp will attend a Northwest Public Power Association (NWPPA) Annual Conference on May 19 – 24 in Boise and an Energy Northwest meeting on May 22 in Boise.

Commissioner Peterson will attend an Annual Power Markets Conference tomorrow in Seattle and the NWPPA Annual Conference on May 19 – 24 in Boise.

Discussion was held regarding the evening Board meeting scheduled for May 29 at the Cutter Theatre in Metaline Falls. A draft agenda was distributed to the Board.

MANAGEMENT REPORT (continued):

F. Colin Willenbrock

- He reported the Bond Resolution was executed in anticipation of the District's bond rating meeting in June in New York.

- He reached out to Richard Bevans of the Pend Oreille River Commission for ways the District can help. Mr. Bevans has reached out to the Governor's office and has told Mr. Willenbrock to standby. More to follow.
- He reported that beginning tomorrow he and staff will start a two-week arbitration with Andritz in Spokane. He is the corporate representative for the District.
- He is a co-sponsor for the WPUDA fire and Department of Natural Resources investigations. Legislation will be done at the last meeting of the year.
- He and staff met with Ponderay Newsprint Company (PNC) staff yesterday to discuss the options for managing the Box Canyon Hydro License for future mitigation and capital projects. PNC will take these options to their executive committee for review.

Don Gronning, Newport Miner joined the meeting.

BREAK/BUSINESS FROM THE PUBLIC:

Following a 5-minute break, the meeting resumed.

A member of the public asked for a review of the District's commitment for the PNC Settlement.

A member of the public asked about the District's new Director of Regulatory Affairs and General Counsel.

A member of the public inquired about the total cost of the PNC litigation and if the District's bond rating has gone up or down. Mr. Willenbrock reported the bond rating outlook has improved by at least one agency.

A member of the public inquired about the current status of the Bonneville Power Administration (BPA) feasibility study. Mr. Willenbrock reported a project manager has been hired to go through this process.

The Board thanked the public for attending.

MANAGEMENT REPORT (continued):

Mark Cleveland, Director, Power Production:

He reported the river flows this morning were 107,000 cubic feet per second (cfs) and are increasing. The inflows to Lake Ponderay are expected to be above 140,000 cfs. Pend Oreille River below Albeni Falls Dam is expected to exceed 130,000 cfs. Box Canyon Dam is not restricting any water and is not generating power. He explained the slow process of removing the dam gates. The District and Albeni Falls Dam are not currently controlling any water.

He reported J.W. Fowler Company is continuing to work through this high water event and attempting to move the crane over to the spillway. They are trying to put water in Campbell Pond before the Memorial Day holiday.

He will attend the Andritz arbitration tomorrow in Spokane.

He reported the Calispell Creek Dam is the only plant making electricity.

He provided an update on the Mill Pond Dam removal and reported crews are using excavators to yard material into the stream to flush the water flow.

He reported that Kenna Tornow, District Communications & Public Contracts Manager is helping him with the dam break analysis RFP for the Sullivan Lake Dam.

Amber Orr, Director, Engineering:

She reported staff is going to do an inventory of the electric system which should be starting shortly. Davey Consulting was hired to do an inventory of the primary side of the distribution system. She explained the idea is to get a a better representation of our electric system on our GIS map, both pictorially and connectivity, and is a 2-year project. The pole test and treat program was used to establish a budget amount for the inventory project.

She reported the Supervisory Control and Data Acquisition (SCADA) project is functionally finished and the system operators are training this week on the new SCADA system.

She reported staff is getting ready to kick off the summer testing on the USK substation(s) for the bulk electric system. This will occur in July and staff is currently doing the preparation work.

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

He reported Autumn Rice, District Administrative Assistant, Regulatory Affairs is working on the Federal Energy Regulatory Commission compliance tracking sheet to transfer it to the existing MPulse program.

He reported staff is entering field season and the current focus is on the flooding and high river flows. Dennis Schult, District Natural Resources, MS Hydrology is doing stream work. He is gearing up to interview summer student helpers for regulatory needs.

He is working with Mr. Scott to finalize the water system report.

He reported the Office of the Columbia River is finalizing the water transfer to Sullivan Lake.

He is gearing up to work with Bob Pebles, District Information Technology Manager and Karen Willner, District Public Records Officer on phase two of the District's records management system.

PUBLIC HEARING – ELECTRIC SERVICE RATES AND CREDIT POLICY – FIELD SERVICE FEE:

Pursuant to notice given to the Newport Miner, a public hearing to discuss the District's Electric Service Rates and Credit Policy – Field Service Fee was held at 11:00 a.m. There were nine members of the public in attendance.

Libbey Bartel, District Customer Service Manager explained this revision is to clarify language for the field service fee amount. Customers will have a one-time free of charge courtesy for a field trip to check their meter based on evidence of error. However, if a meter reader is requested to check the same meter an \$80 field service fee will be charged. Mr. Willenbrock reported the \$80 fee is representative of District labor, fleet, maintenance and travel costs and is due to the customer service representatives (CSRs) getting customer calls saying their meters are not reading right or their meter read is too high. Discussion was held.

Commissioner Peterson asked if there were any comments or questions from the public.

A member of the public asked if the same fee applies if the travel distance to the meter is greater. Commissioner Peterson reported the same fee applies no matter the distance.

The public hearing ended at 11:06 a.m.

ACTION ITEMS:

- Revised Electric Service Rates and Credit Policy. A motion was made by Commissioner Knapp and seconded by Commissioner Larson to approve the revised policy. The motion passed unanimously.
- Resolution No. 1411 – Resolution Affirming Property Purchase and Sale. A motion was made by Commissioner Larson and seconded by Commissioner Knapp to approve and adopt the resolution. The motion passed unanimously.
- Damage Claim DC04302018. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Knapp to approve the damage claim in the total amount of \$100.00. The motion passed unanimously. Staff will proceed as appropriate.

MANAGEMENT REPORT (continued):

April Owen, Director, Finance/Auditor:

She reported the Bond Resolution was passed last week and the Andritz arbitration is this week after which she should know the payment amounts for the line of credit and billing. The District is targeting the bond issuance for the end of July or the beginning of August. Staff is working on the official statement and met with bond counsel last Thursday at Box Canyon.

Bob Pebles, Information Technology Manager:

He and staff continue to work on projects. He and Ms. Willner are finishing up the last few preliminary department records inventories with the department record keepers.

He is getting the last few department sites set up on SharePoint.

He reported staff will work on upgrading the servers changed out and upgraded at Box Canyon.

He provided an update on a recent phishing matter and emphasized the importance of staff knowing who the email sender is and to making sure staff knows the context of the email. He reported there is a wide spread phishing campaign going on around the world. He explained how this phishing happened. Discussion was held.

Kevin Conway, Compliance and Training Manager:

He and staff are actively monitoring compliance and going through the standards and regulations for compliance. He is finishing up compliance for the District being a transmission operator and looking at efficiencies and identifying better ways to do things.

He is working with the Information Technology staff on new cyber security standards.

He provided an update on the BPA Transmission Planning Agreement and explained that BPA registers for certain standards in the contract and the District registers for certain standards and then BPA and the District work together on these standards.

Kenna Tornow, Communications & Public Contracts Manager:

She provided an update on the District and Colville National Forest's Campsite Opportunities Survey and reported about 70 responses have been received. A survey brochure is being created by a third party and once completed will be posted at county campground sites – mainly at the Pioneer Park Campground.

A member of the public asked if there were any updates from the county or EDC on the water river trail and campsites along the trail. Ms. Tornow reported she has not received any comments about that on the survey but will follow up.

She reported the next PUD Breakfast meeting will be held this Friday at Box Canyon. Ms. Bartel and CSRs, Mr. Pebles, Mr. Fritz and Mr. Nila will be providing topics of discussion and a tour of Box Canyon Dam will follow.

She reported a draft of the District's 2017 Annual Report should be done next week. She will send it to the Board for review.

Lloyd Clark, Director, Safety & Human Resources:

He reported the candidate interview process for the Mechanic hire position will start this week. Dale Maki, District Mechanic is retiring in July.

He is receiving candidate job applications for the Power Production Manager hire position in preparation of Mr. Cleveland's upcoming retirement.

He will attend a Labor Management meeting next week and will then be traveling to Douglas County PUD for a meeting to discuss the Unified Insurance Program (UIP) Benefits Administrator hire position process.

He reported that Paul Kiss, District Safety Coordinator and Cecil Taylor, District Safety & Environmental Coordinator will be going to Box Canyon today for a Safety meeting.

He reported Matthew Williams, District Engineering Manager started with the District on Monday. Mr. Willenbrock reported this hire was a replacement position. Discussion was held.

Discussion was held regarding staffing, fleet management and UIP Benefits Administrator hire process.

Paul Kiss, Safety Coordinator:

He is reviewing the Washington Administrative Code Safety Book and the District's Safety Manual. He is working on a safety portfolio for each staff member and making sure the Safety meeting minutes for each group are distributed and communicated with all staff. Mr. Clark emphasized the need to get all Safety meeting information and training across all departments.

Mr. Kiss reported Tailboard Safety Training information out in the industry to make everyone aware of safety.

He provided an update on the Fire-Retardant Clothing Program and reported it is an arc flash requirement for all linemen and that all cabinets at Box Canyon are marked with an arc flash rating. The District is using a vendor for the program.

Libbey Bartel, Customer Service Manager:

She reported the two recently hired CSRs are blending in well, getting trained and are learning quickly so she has begun a cross-training process with them. She reported there will be an increase in community outreach.

She will attend a PUD Breakfast meeting this Friday at Box Canyon.

She reported the CSRs are hosting the Newport Rodeo Parade this year and will highlight the customer needs.

EXECUTIVE SESSION – REVIEW OF PERFORMANCE OF A PUBLIC EMPLOYEE:

A 20-minute executive session to review the performance of a public employee commenced at 11:40 a.m. The following were in attendance: Board of Commissioners; and F. Colin Willenbrock, General Manager. The executive session adjourned at 12:00 p.m. and the Board returned to open session. No final action was taken.

Following a working lunch, the meeting resumed.

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

President

ATTEST:

Secretary

General Counsel
Approved as to Form