

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
September 24, 2019
NEWPORT CONFERENCE ROOM, NEWPORT, WA

Present: Curtis J. Knapp, President
Richard A. Larson, Vice President, via teleconference
Joseph B. Onley, Secretary

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

Others: None

The meeting was called to order at 8:33 a.m. by Curtis J. Knapp, President.

CONSENT AGENDA:

The minutes from the September 10, 2019 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, September 24, 2019, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The minutes of September 10, 2019 meeting and the agenda for September 24, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 3410 through 3470 in the total amount of \$72,767.63; ACH payments in the total amount of \$377,840.17; Wire Transfers in the total amount of \$770,388.40; and ACH payroll transactions in the total amount of \$213,961.49 for the payroll ending September 15, 2019.

PRE-APPROVAL OF COMMISSION TRAVEL PLANS FOR OCTOBER:

Commissioner Knapp will attend a Northwest Open Access Network (NoaNet) Board meeting on October 9 in Spokane if Commissioner Larson does not attend.

Commissioner Larson will attend a NoaNet Board meeting on October 9 in Spokane.

Commissioner Onley will attend a Washington Public Utility Districts Association (WPUDA) Budget Committee meeting on October 17 in Olympia.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager reported that April Owen, District Chief Audit, Financial & Power Supply Officer and Sarah Holderman, District Chief Treasury, Broadband & Strategic Planning Officer will walk through the pricing for the bond refinancing and re-issuance. He reported the District achieved significant savings for its ratepayers. He commended the finance team and advisors.

Ms. Holderman reported the bond pricing was held on September 11 in Seattle. She provided a powerpoint presentation on the 2010 Electric System and Box Canyon Production System bond refunding and reissuing results and reported the average annual Electric System savings is approximately \$250,000 and the average annual Box Canyon Production System savings is approximately \$520,000. Discussion was held. She reported the bonds will be funded on October 3.

Commissioner Knapp thanked them for their presentation and work on refinancing the bonds.

He reported Christopher McKey with Energy West, LLC helped the District to finalize its two-year balancing agreement with Avista. Energy West, LLC is working on phase 3 which looks at our options for de-coupling from PNC. He explained the options and the process. Discussion was held.

SAFETY SPOTLIGHT:

Kevin Conway, District Chief Compliance, Engineering & Technology Officer reported it is getting darker earlier and becoming lighter later in the morning and to be aware of the students going to school. Roads are wet in the morning so be aware when driving and stopping.

He reported that Jason Pimental, District Safety Coordinator; Brandon Corkill, District Journeyman Lineman, Ione; and J.L. Chantry, District Line Foreman, Ione are attending the Governor's Industrial Safety and Health Conference.

He reported Labor & Industries visited last week to do a District safety and ergonomic assessment. The inspector was impressed with the District and recommended doing piece-by-piece changes if purchasing any new equipment. He also recommended to do staff training when new equipment is implemented. He commended the District on its audit.

He reported staff had its first safety steering committee meeting yesterday to provide Mr. Pimental with more direction in implementing the District's Safety Policy.

Mr. Willenbrock reported the Newport Homecoming Parade is on Friday and staff will be helping at pedestrian crossings as needed.

CUSTOMER SPOTLIGHT:

Libbey Bartel, District Chief Customer Service & Metering Officer asked Lisa Curry, District Customer Service Representative to give an update on the customer electric and fiber line extension builds.

Ms. Curry reported that October is the deadline for stopping the builds and that Operations staff is three weeks out on line extensions. To date, there are 123 customer line extensions in the queue and 166 paid customer fiber builds. Discussion was held.

Commissioner Onley was contacted by a customer regarding his telephone service provided by a retail service provider (RSP). Commissioner Onley worked with Mr. Willenbrock on this matter.

COMMISSION REPORT:

Commissioner Onley attended a Newport Area Chamber of Commerce meeting this morning in Newport. He reported that over 20 people attended and there was lots of enthusiasm. The Chamber received an AARP grant to pay a person to do administrative work. Meeting attendees were elected to the board. There will be weekly meetings over the next month. He attended the WPUDA meetings on September 18 – 20 in Suquamish and provided an overview which included an AMI and AMR meters discussion. He had a meeting yesterday with Mr. Willenbrock where the District's Supervisory Control and Data Acquisition (SCADA) System was discussed.

Commissioner Knapp attended a NoaNet Board meeting on September 11 in Spokane. Mr. Willenbrock reported that Energy Northwest is not getting the information exchange from NoaNet. He proposed a motion at the meeting that NoaNet provide the data to Energy Northwest by the end of this year. The motion carried that data be exchanged by the end of the year. Commissioner Knapp attended the WPUDA meetings on September 18 – 20 in Suquamish and provided an overview.

Commissioner Larson attended an Economic Development Council meeting on September 18 in Ione. He reported there was not a quorum therefore it was a roundtable discussion.

COMMISSION BUSINESS:

Commissioner Onley will attend a WPUA Water Workshop tomorrow through Friday in Leavenworth.

Commissioner Knapp will attend an Energy Northwest Executive Board meeting tomorrow in Pasco.

- House of the Lord Thanksgiving Baskets Funding Request. Discussion was held. Staff will pre-screen future requests to ensure compliance with District policy. No action was taken due to a lack of a motion.

BREAK/BUSINESS FROM THE PUBLIC:

Following a 5-minute break, the meeting resumed.

ACTION ITEMS:

- Damage Claim DC08202019. Mr. Willenbrock reported the tree was outside of the right-of-way. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Knapp to deny the damage claim in the total amount of \$3,080.96. Discussion was held. The motion passed unanimously.
- Declaration of Surplus Property – Two Plotters from Information Technology Department. Bob Pebles, District Information Technology Manager provided the details. Based on staff recommendation, a motion was made by Commissioner Larson and seconded by Commissioner Onley to declare the plotters 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 plotters will be donated to a local school or library district. The motion passed unanimously.
- Office Closure/Early Dismissal for Employee Day on October 14. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the office closure and early dismissal. Ms. Bartel reported Employee Day will be held from 8:30 a.m. – 12:30 p.m. and will include breakfast, a speaker and employee award presentations. The motion passed unanimously.
- Mr. Willenbrock received an informal request by Fire District No. 4 to install orange marker balls on the District's transmission line for safety during helicopter landings. Discussion was held. This item was tabled for further discussion.

MANAGEMENT REPORT:

April Owen, Chief Audit, Financial & Power Supply Officer:

She responded to Commissioner Onley's earlier inquiries regarding today's voucher list.

Sarah Holderman, Chief Treasury, Broadband & Strategic Planning Officer:

She reported Mark Scott, District Water Systems Manager and Robert Fritz, District Community Network System Supervisor provided a presentation for a Community Economic Revitalization Board grant on September 19 in Olympia and commended them on their great job in presenting. She explained this is a \$50,000 grant to start the process for a feasibility study of the cost to extend fiber broadband to North Pend Oreille County or to extend only to the highly populated areas in North Pend Oreille County.

She reported the October 15 Board meeting will include a Water Rate Hearing. She will also start budget discussions at this meeting. A Budget Public Hearing is scheduled for November 5 and an Electric Rate Public Hearing is scheduled for December 3 with the Board's decision at the December 17 meeting. She received the capital project submissions from all the departments for the budget. She distributed and explained a handout on residential, commercial and industrial customer revenues. Discussion was held.

Suzie Thompson, Human Resources Manager:

She is putting together information for the October 14 Employee Day. She reported a representative will be there to talk with employees about their HRA/VEBA accounts; and flu shots will be provided.

She reported a Costco representative will be at the District on November 13 to explain employee memberships.

She provided a recruiting update on the current job postings and reported the Communications & Public Contracts Manager hire position has been filled and the candidate will start at the District in mid-October. The Network Operations Technician hire position for the Information Technology (IT) department has been filled and the candidate will start in mid-November.

Bob Pebles, Information Technology Manager:

He provided an IT department update and reported staff is busy bringing up the Mapwise modules for our National Information Solutions Cooperative computer system. Davey Resource Group, hired to do an inventory of the primary side of our electric system, is placing data into our SCADA system. Staff will be kicking off a project to update our SCADA system.

Libbey Bartel, Chief Customer Service & Metering Officer:

She reported staff is gearing up for our Neighbors in Need season. She spoke with Rural Resources about upcoming opportunities. She showed and explained an energy conservation kit with LED lights, weather seal and caulking strips from Rural Resources that will be handed out to customers.

Kevin Conway, Chief Compliance, Engineering & Technology Officer:

He provided an Operations update and reported the Reliability Coordinator from RCO West will be coming on October 1 to begin the transition. This person is certified by the North American Electric Reliability Corporation. He explained how the Reliability Coordinator works and the history. Discussion was held.

He reported the PGE deal transactions are going well.

He reported the transmission one-shot program worked well and operations are back to normal. Discussion was held.

He reported there was an outage scheduled for last week at the Pine Street Substation to replace switches. The outage was put on hold due to a load transfer issue. Chris Jones, District Director of Operations/Line Superintendent is working with Zodiac. Mr. Willenbrock provided the details. Discussion was held.

Mr. Conway reported the request for proposals bid for load forecasting closed and staff is reviewing. A decision should be made by October 1.

He reported on an outage in Metaline Falls to change out a crossarm.

He reported staff is updating District safety procedures and processes.

Colin Willenbrock, General Manager:

He congratulated Mr. Pebles and his team for being awarded first place by the Northwest Public Power Association for our website redesign.

He reported we have received almost a 100% design on the maintenance building. He reviewed the project timeline.

He reported there were two good days of local bargaining last week. He provided an overview.

The Board and staff watched parts 2 and 3 of the Northwest Power Pool Resource Adequacy video. Mr. Willenbrock will attend the October 2 meeting in Portland.

EXECUTIVE SESSION – PERFORMANCE REVIEW OF PUBLIC EMPLOYEE:

A 10-minute executive session on a performance review of a public employee commenced at 11:50 a.m. The following were in attendance: Commissioner Knapp; Commissioner Onley; and Commissioner Larson, via teleconference. The executive session adjourned at 12:00 p.m. and the Board returned to open session. No final action was taken.

Following a 30-minute working lunch, the meeting resumed.

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

President

ATTEST:

Secretary

General Counsel
Approved as to Form