

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
April 9, 2019
NEWPORT CONFERENCE ROOM, NEWPORT, WA

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

Staff Present: F. Colin Willenbrock, General Manager
Management/District Staff
Tyler R. Whitney, Chief Legal, Generation &
Regulatory/Government Affairs Officer
Karen Willner, Clerk of the Board

Others: Olga Darlington, Moss Adams
Don Gronning, Newport Miner
Caneel Johnson, Newport Miner
Gretchen Koenig, Member of the Public
Christopher McKey, Energy West, LLC
Steve Minnich, Member of the Public

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

CONSENT AGENDA:

The minutes from the March 19, 2019 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, April 9, 2019, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The minutes of March 19, 2019 meeting and the revised agenda for April 9, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 2671 through 2749 in the total amount of \$476,735.84; ACH payments in the total amount of \$626,108.55; Wire Transfers in the total amount of \$1,834,282.59; ACH payroll transactions in the total amount of \$218,084.38 for the payroll ending March 15, 2019; and ACH payroll transactions in the total amount of \$229,774.22 for the payroll ending March 31, 2019.

BOARD WORKSHOP/GENERAL MANAGER'S REPORT:

Colin Willenbrock, General Manager reported on the executive summary process and visioning process the county is going through. He met with Pend Oreille County Commissioner Karen Skoog last week to review the plan and process. He provided an overview and reported that Commissioner Skoog is working on an open letter to the community. Discussion was held.

He reported the District received notice from Teck that they are beginning their wind down to care and maintenance mode. Discussion was held. He reported the District has reached out to Teck and will schedule a meeting to discuss the transition and how we can help. He commended Mark Brown, Teck Manager and Teck for being good community partners and for providing us with information in a timely manner.

He provided a Pac West update and reported at the end of March the District received a copy of the Line and Load Impact Feasibility Study from the Bonneville Power

Administration (BPA). Amber Orr, District Director of Engineering will be on a conference call today with Pac West and BPA to discuss the study. Discussion was held.

Mr. Willenbrock expressed his and the District's sympathies for Gretchen Koenig and her family who lost their home due to a fire. He was glad that she was here and was not hurt.

SAFETY SPOTLIGHT:

Jason Pimental, District Safety Coordinator reported there will be hearing testing and training at the District on May 9 and 10. Commissioner Onley suggested keeping employee hearing and medical records at the District and not just with the third party provider. Discussion was held.

Mr. Pimental reported employees will have First Aid and CPR training on May 22 and 23. These classes are full but a second round of classes will be held later in the year.

He reported the newly-hired meter readers are reading meters until they receive the required training to change out meters.

He provided a Labor & Industries update and reported the inspection was closed and there were no safety violations. There was an asbestos violation associated with the Upstream Fishway Project which the District will abate.

He is making some safety meeting and structure changes.

CUSTOMER SPOTLIGHT:

Lisa Curry, District Customer Service Representative reported staff has fully implemented a customer credit collection exchange that went into effect on Monday. She explained the credit check process will be done by a customer service representative and she reviewed the credit levels.

Commissioner Knapp reported he had a conversation with a customer last night in Spokane regarding good things about the District and doing some integration at Vaagen Lumber.

COMMISSION REPORT:

Commissioner Larson attended an Economic Development Council meeting on March 20 in Ione and a Tri-County Economic Development District meeting on March 27 in Colville. He provided an overview. Discussion was held.

Commissioner Onley attended a Washington Public Utility Districts Association (WPUDA) Water Committee meeting on March 21 in Olympia and provided an overview. He commended Mark Scott, District Water Systems Manager on the great job he does in presenting.

Commissioner Knapp attended Energy Northwest meetings on March 27 – 28 in Pasco and provided an overview.

COMMISSION BUSINESS:

- SeaPerch Underwater Robotics Program Funding Request. A motion was made by Commissioner Larson and seconded by Commissioner Onley to contribute \$100 to the program. The motion passed unanimously.
- Pend Oreille County Library District Sponsorship Funding Request. Discussion was held. No action was taken due to lack of a motion.
- Selkirk Youth Baseball and Softball Funding Request. Discussion was held. They will be referred to the PUD Truck Wash Fundraiser. No action was taken due to lack of a motion.

Commissioner Onley will attend the Kalispel Tribe of Indians Casino Grand Opening tomorrow, the WPUA meetings on April 17 – 19 in Olympia and a Community Leaders Roundtable on April 26 in Dalkena.

Commissioner Larson will attend a Northwest Open Access Network Board meeting tomorrow in Spokane, an EDC meeting and a Congresswoman Cathy McMorris Rodgers Townhall meeting on April 17 in Newport, a TEDD meeting on April 24 in Colville and a Community Leaders Roundtable on April 26 in Dalkena.

Commissioner Knapp will attend the Kalispel Tribe of Indians Casino Grand Opening tomorrow, the WPUA meetings on April 17 – 19 in Olympia, Energy Northwest meetings on April 23 – 25 in Pasco and a Community Leaders Roundtable on April 26 in Dalkena.

Discussion was held regarding the District's evening meeting on April 30 at the Cutter Theatre.

MOSS ADAMS 2018 DISTRICT AUDIT PRESENTATION:

Olga Darlington, Moss Adams provided a powerpoint presentation on the 2018 District Audit and reported they have completed their financial audit. Moss Adams also issued a report on the District's internal controls. She reported there were no issues to report, it was a clean audit and all the internal controls are in place. She applauded April Owen, District Chief Audit, Financial & Power Supply Officer and her team for taking financial auditing seriously.

Commissioner Knapp thanked Ms. Darlington for being here and for the job she and her team do for the District. Ms. Owen reported the District has a great partnership with Moss Adams and appreciates and values their professionalism.

Mr. Willenbrock reported the state auditor is at the District and he and Commissioner Knapp met with them. Discussion was held.

Steve Minnich, a member of the public appeared before the Board to express his concern with the District's cost in hooking up a third meter at his property. He offered customer service suggestions for the District to consider. Discussion was held.

Commissioner Knapp thanked Mr. Minnich for attending. Mr. Willenbrock will follow up.

BREAK/BUSINESS FROM THE PUBLIC:

Following a 5-minute break, the meeting resumed.

ACTION ITEMS:

- Temporary Amendment to PNC Power Contracts. Christopher McKey, Energy West, LLC provided the details for this amendment and the WSPP Confirmation. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to authorize the general manager to execute the amendment in substantially the same form as presented. The motion passed unanimously.
- WSPP Confirmation with Portland General Electric. A motion was made by Commissioner Onley and seconded by Commissioner Larson to authorize the general manager to execute the confirmation in substantially the same form as presented. The motion passed unanimously.
- Resolution No. 1420 – Setting Forth Financial Depositories of the District. Sarah Holderman, District Chief Treasury, Broadband & Strategic Planning Officer

provided the details. A motion was made by Commissioner Larson and seconded by Commissioner Onley to adopt the resolution. The motion passed unanimously.

- Resolution No. 1421 – Authorizing Investment of Monies in the Local Government Investment Pool. A motion was made by Commissioner Larson and seconded by Commissioner Onley to adopt the resolution. The motion passed unanimously.
- Declaration of Surplus Property – Two System Operations Office Chairs. Discussion was held. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Larson to declare the two chairs 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 chairs will be donated to the Cusick Fire District. The motion passed unanimously. The staff will proceed as appropriate.
- Bid Awards – Miscellaneous Surplus Items. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to award the bids to the highest bidders, as presented. The motion passed unanimously. The staff will proceed as appropriate.
- Declaration of Surplus Property – Fleet Asset #003 Ditch Witch Cable Plow. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Larson to declare Fleet Asset #003 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 cable plow will be taken to auction. The motion passed unanimously. The staff will proceed as appropriate.
- Procurement of ASV Skid Steer, Contract No. 19-021. This is a budgeted item. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the contract with Fiber Marketing International, Inc. in the total amount of \$138,193.28. The motion passed unanimously.
- Request for Indemnification by Colin Willenbrock under Resolution No. 1190. Tyler Whitney, District Chief Legal, Generation & Regulatory/Governmental Affairs Officer provided the details. A motion was made by Commissioner Larson and seconded by Commissioner Onley to approve the request. The motion passed unanimously.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session on pending and/or potential litigation commenced at 11:10 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; and Tyler Whitney, Chief Legal, Generation & Regulatory/Government Affairs Officer. The executive session adjourned at 12:10 p.m. and the Board returned to open session. No final action was taken.

There being no further discussion to come before the Board, the meeting adjourned at 12:11 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form