

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
June 18, 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
Tyler R. Whitney, Chief Legal, Generation &
Regulatory/Government Affairs Officer
Karen Willner, Clerk of the Board

Others: Two Members 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 June 4, 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, June 18, 2019, the Board, upon motion by Commissioner Onley and seconded by Commissioner Larson approved the following:

- The minutes of June 4, 2019 meeting and the revised agenda for June 18, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 2986 through 3056 in the total amount of \$120,105.10; ACH payments in the total amount of \$536,585.47; Wire transfers in the total amount of \$15,092.00; and ACH payroll transactions in the total amount of \$245,973.02 for the payroll ending May 31, 2019.

BOARD WORKSHOP/STRATEGIC PLANNING PREP:

Colin Willenbrock, District General Manager reported we received a 95% design on the Operations Center.

He reported the Newport Rodeo grounds is metered and energized and it was a lot of coordination between the Rodeo Association, Newport City, PUD and contractors. He also reported the county wrote a letter thanking us for providing funding and support for the grandstand repairs at the Cusick Fairgrounds.

He attended an American Public Power Association National Conference on June 8 – 12 in Austin, Texas and provided an overview. Three focus topics included customer technology, cyber security and greenhouse gas reduction.

He provided a powerpoint presentation on the District's strategic planning preparation. Topics included the 5-year planning process, annual budgeting process, off-site planning/leadership retreat, facilitated strategic planning meetings, strategic planning outline and goals, leadership trainings, new commission, executive committee 5-year planning reviews and integrating these plans, budgets, trainings, outlines and goals. He explained the importance of working as a team, having trust, working through conflict, having commitment for decisions, being accountable to yourself and others and focusing on getting results. He provided an overview of key planning questions to be asked and answered and reviewed the District's strategic vision and core values. Discussion was held regarding concerns and issues that Board and staff have.

SAFETY SPOTLIGHT:

Jason Pimental, District Safety Coordinator provided a safety update and reported flagging training was held yesterday. He and Tyler Whitney, District Chief Legal, Generation & Regulatory/Government Affairs Officer will meet with Labor & Industries to discuss appeal of the citation. Staff are attending National Metering training today. Libbey Bartel, District Chief Customer Service & Metering Officer reported it is a 3-day training for the meter readers, Community Network System (CNS) technicians and a lineman apprentice. Discussion was held.

CUSTOMER SPOTLIGHT:

Ms. Bartel provided an update on the Neighbors in Need (NIN) Low Income Assistance Program and reported in 2018-2019, 45 families were assisted. The current balance is \$25,000 and she is looking for fundraising opportunities.

She reported the Box Canyon Visitors Center customer payment kiosk will be delivered during the first week in July.

Commissioner Knapp received a customer phone call regarding hanging an event banner for a private business. He informed the customer that per District policy, the District only hangs banners for appropriate community events and not for private, for-profit businesses. Discussion was held.

Commissioner Onley commended Commissioner Knapp for his Op Ed that was posted in the Newport Miner. He inquired about the NIN program grants.

BREAK/BUSINESS FROM THE PUBLIC:

Gretchen Koenig, member of the public inquired if the District has received any word from Pac West. Mr. Willenbrock reported the District has had no contact with them. The contract for Bonneville Power Administration's Facilities Study was due on June 13 and Pac West allowed that deadline to lapse without action.

Following a 4-minute break, the meeting resumed.

Commissioner Larson received a customer letter regarding fiber availability. Sarah Holderman, District Chief Treasury, Broadband & Strategic Planning Officer reported she called the customer and referred the matter to the CNS staff who also followed up with the customer.

Commissioner Larson had a customer call regarding a previous water meter tap damage claim. Mr. Willenbrock reported staff investigated the matter but found nothing. Discussion was held. Commissioner Larson will contact the customer and Mr. Willenbrock will send a letter to the customer.

COMMISSION REPORT:

Commissioner Knapp attended a Public Utilities Risk Management Services (PURMS) meeting on June 5 – 6 in Seattle and provided an overview. Ms. Holderman also attended and provided details of the risk assessment that was conducted by AEGIS. She reported they are doing a cyber-security workshop in October. She will schedule a PURMS review at a future Board meeting. Commissioner Knapp attended a Northwest Open Access Network (NoaNet) Board meeting on June 12 in Spokane and provided an overview.

COMMISSION BUSINESS:

- Pend Oregille County Habitat for Humanity Funding Request. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to contribute \$100 for Habitat to purchase hard hats. The motion passed unanimously.

- Pend Oreille County Office of the Sheriff Crime Prevention, Safety Education and Substance Abuse Programs Sponsorship Funding Request. Discussion was held. No action was taken due to lack of a motion.
- Pend Oreille Playhouse Summer Theater Camp Funding Request. Kenna Tornow, District Communications & Public Contracts Manager reported this request was originally submitted to the Board on May 7. She talked with group regarding parking availability at the playhouse during the District's construction for the new maintenance building and reported the group was in agreement to allow parking. A motion was made by Commissioner Onley and seconded by Commissioner Larson to donate \$500. The motion passed unanimously.

MANAGEMENT REPORT:

Tyler Whitney, Chief Legal, Generation & Regulatory/Government Affairs Officer:

He reported the Amended Settlement Agreement was filed with the Federal Energy Regulatory Commission (FERC) for the Box Canyon license. He explained now it will go through a public process and evaluation of the biological analysis. A FERC dam safety inspection will occur on site this Thursday.

He provided a recruiting update and reported Suzie Thompson will start on July 8 as the Human Resources Manager, Jamie Johnson will start on August 1 as the Administrative Assistant at Box Canyon Dam, and Josie Bennett will start on June 24 as the Controller.. The last summer student helper will begin tomorrow.

He attended a meeting with Congresswoman Cathy McMorris Rodgers regarding hydro power in the Northwest.

He reported a FERC license requirement to update the total dissolved gas levels for the Box Canyon Upstream Fish Passage project was completed this year. He commended Dennis Schult, District Hydrologist for his work on the update.

Libbey Bartel, Chief Customer Service & Metering Officer:

She reported the meter readers are doing the annual meter reads on all the meters and are reading the water meters. They are implementing a service point inspection and observing the location of the meters, testing the meters, looking at the meter bases and looking at meter loads and tampering. They are completing the forms and submitting them.

She reported there are two customer solar builds in process which will bring the total to 14 distributed generation customers. Discussion was held.

Kenna Tornow, Communications & Public Contracts Manager:

She reported October 14 is Employee Day and Kina Repp will be the guest speaker providing a safety discussion. Her husband will also attend to give a different perspective on how safety affects the family.

She reported July 26 is Spokane Indians Family Baseball Night.

She reported June 22 is the Newport Rodeo Parade. Staff will drive PUD vehicles, candy will be given and a District community sponsorships banner will be displayed.

Discussion was held regarding the Employee Directory. An updated version will be distributed before Ms. Thompson starts.

Mark Cleveland, Director, Power Production:

He reported Tim McMaster, District Power Production Manager will be taking over management responsibilities for all production assets and staff. Discussion was held.

The Board congratulated Mr. Cleveland on his upcoming retirement.

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

She reported an industrial load customer paid for a line extension to add 2MW to its load. Discussion was held.

She reported a couple of years ago the District implemented a senior discount for utility bills and in 2018 the total amount discounted was \$2,000 that allowed the District to receive a reduction in its privilege taxes.

She is helping Mark Scott, District Water Systems Manager with a Community Economic Revitalization Board grant which is an action item today. Commissioner Onley asked to see the grant specifications. She will provide those to the Board.

She is updating the pole attachment fees and will provide a presentation to the Board later in the year.

Mr. Willenbrock commended Ms. Holderman for doing outstanding work on the pole attachments formula. He reported Washington PUDs are updating their pole attachment rates. Discussion was held.

Kevin Conway, Chief Compliance, Engineering & Technology Officer:

He reported Alden Research was hired to do index and efficiency testing at Box Canyon Dam. He and staff are currently reviewing their plan which is very detailed at measuring the flows and testing theories. The project will be done in three phases.

He provided a critical infrastructure protection (CIP) update and reported the United States is accused of planting malware in Russia. The North American Electric Reliability Corporation is strengthening its infrastructure protection and imposing changes on CIP standards.

He reported the District submitted a self-report for standard PR-005 related to battery system documentation which is on file with the Western Electricity Coordinating Council.

He reported a letter went out from Washington State University (WSU) regarding the rebate program for installing solar panels. The program has run out of money. WSU will honor the commitments that were made but there will not be any new installation rebates.

Mark Scott, Water Systems Manager:

He is continuing to work on the arsenic removal pilot project proposal for the Riverview Water System.

He has submitted a Community Development Block Grant application for the Metaline Falls Water Distribution Replacement Project.

He is working on the Town of Cusick Water Treatment Plant project.

Discussion was held regarding the Sullivan Lake low water levels due to reduced snowpack.

COMMISSION BUSINESS (continued):

Commissioner Onley will attend an Economic Development Council meeting on June 19 in Ione and will tentatively attend a Tri-County Economic Development District meeting on June 26 in Colville.

Commissioner Larson will attend a NoaNet Strategic Planning Workshop on June 27 and 28 in Spokane.

Commissioner Knapp will attend a Cusick/Usk Sub Area Planning meeting on June 27 in Usk.

ACTION ITEMS:

- Revised Cash Control Policy. Ms. Bartel provided the details. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the revised policy. The motion passed unanimously.
- Revised Electrical Service, Rates and Credit Policy. Ms. Bartel provided the details. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the revised policy. The motion passed unanimously.
- Revised Employee Handbook. Mr. Whitney provided the details. Discussion was held. A motion was made by Commissioner Onley to table this item until the July 9 Board meeting due to revisions he would like to make and when Commissioner Larson is present in person. The motion was seconded by Commissioner Larson to table item until July 9. The motion passed unanimously.
- Extension to Interlocal Agreement with Town of Cusick for Water Treatment. Mr. Whitney explained the extension would be for nine months and a feasibility study would be done. Discussion was held. Mr. Scott provided further details and Mr. Willenbrock explained the process. A motion was made by Commissioner Larson and seconded by Commissioner Onley to extend the agreement for nine months. The motion passed unanimously.
- Contract No. 19-019 – Professional Services Agreement with McCanna Engineering, LLC. Discussion was held. Mr. Willenbrock provided the details. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the contract and authorize the general manager to execute it. The motion passed unanimously.
- Resolution No. 1423 – Community Economic Revitalization Board Grant. Ms. Holderman provided the details. A motion was made by Commissioner Onley and seconded by Commissioner Larson to adopt the resolution. The motion passed unanimously.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 9-minute executive session on pending and/or potential litigation commenced at 11:52 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 12:00 p.m. and the Board returned to open session. No final action was taken.

Following a working retirement lunch and cake for Mark Cleveland, the meeting resumed.

There being no further discussion to come before the Board, the meeting adjourned at 12:59 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form