

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
November 19, 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: Janet Ady, President/CEO Ady Advantage  
Approximately 14 Members of the Public

The meeting was called to order at 2:30 p.m. by Curtis J. Knapp, President.

CONSENT AGENDA:

The minutes from the November 5, 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, November 19, 2019, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The minutes of November 5, 2019 meeting and the revised agenda for November 19, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 3661 through 3727 in the total amount of \$122,337.31; ACH payments in the total amount of \$161,181.10; Wire Transfers in the total amount of \$163,686.99; and ACH payroll transactions in the total amount of \$274,908.93 for the payroll ending October 31, 2019.

COMMISSIONER PRE-TRAVEL PLANS FOR DECEMBER:

Discussion was held. Commissioner Larson objected to Commissioner Onley's December travel plans as they would cause Commissioner Onley to exceed his travel budget. Commissioner Knapp concurred with Commissioner Larson's objection. Commissioner Onley agreed to reconsider his December travel plans to ensure they stay within the approved budget. The December travel plans were approved for Commissioner Knapp and Commissioner Larson.

BOARD WORKSHOP:

Discussion was held regarding a December 16 special Board meeting and the draft 2020 Board Meeting Calendar.

Colin Willenbrock, District General Manager welcomed the meeting guests and he pointed out the nearest restrooms and exits. He provided an introduction to the District's strategic planning, economic development and load growth. He reviewed the Box Canyon Dam project as a customer resource and the impact of the Teck Mine wind-down and the potential closure of Ponderay Newsprint Company (PNC) and loss of its load. He explained the District has hedged its market pricing and positioning with help from Energy West, LLC.

He introduced Janet Ady, President/CEO of Ady Advantage, whom he met at this year's American Public Power Association Annual Conference, and provided her background information.

#### LOAD GROWTH AND ECONOMIC DEVELOPMENT:

Janet Ady, President/CEO of Ady Advantage provided a powerpoint presentation on economic development for utilities. She explained the importance of growing and keeping existing customers and acquiring new businesses and growth. She reviewed the site selection process which included operating costs, operating conditions and quality of life. She explained the drivers to relocating or expanding development are costs, talent – how far will people travel to a job and workforce resources, access to markets, and unusual physical infrastructures. She explained certified versus non-certified sites and readiness of those sites and the importance of looking at the target industry assessment of what is already located in your county to determine what industry would work and what would not. She reviewed past and future workforce trends and reimagining economic development. She explained the key success factors: readiness, differentiation, and alignment. Discussion was held.

The Board and Mr. Willenbrock thanked Ms. Ady for attending and for providing the information. Ms. Ady left the meeting.

#### WORKING DINNER/EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 15-minute working dinner and executive session on pending and/or potential litigation commenced at 5:15 p.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 5:30 p.m. and the Board returned to open session. No final action was taken.

#### SAFETY SPOTLIGHT:

Jason Pimental, District Safety Coordinator reported hearing loss prevention training will be held on November 26.

He reported the call-out procedure for crews is under review.

He reported there was an oil spill on November 12 from the Box Canyon Dam governor unit. There was no oil that went into the water, it was contained by the operators and agencies were contacted. Discussion was held.

#### CUSTOMER SPOTLIGHT:

Libbey Bartel, District Chief Customer Service & Metering Officer provided an introduction to tonight's customer assistance and conservation presentation. She explained ways the customer service staff is helping customers through the use of SmartHub for bill payment and information and a payment kiosk that will be installed at the Box Canyon Visitors Center. She noted the Neighbors in Need Low Income Assistance program, a senior citizen discount program and other savings tips the District offers to its customers.

The Board noted a thank you letter from the Cusick Food Bank for the Board's monetary contribution.

#### COMMISSION REPORT:

The Board of Commissioners attended an Annual Legislative Luncheon/Meeting on November 7 in Colville.

Commissioner Onley attended the Washington Public Utility Districts Association (WPUDA) meetings on November 13 – 15 in Olympia and provided an overview. Mr.

Willenbrock added commentary to the broadband funding topic in relation to getting broadband to the north part of the county. Discussion was held.

Commissioner Larson attended an Economic Development Council (EDC) study group meeting on November 8 in Newport and provided an overview. He reported the Comprehensive Plan is due in June 2020.

Commissioner Knapp attended a Public Utility Risk Management Services meeting on November 6 in Seattle and the WPUDA meetings on November 13 – 15 in Olympia and provided an overview.

#### COMMISSION BUSINESS:

Commissioner Onley will attend an EDC Board meeting tomorrow in Cusick.

Commissioner Knapp will attend a Thanksgiving employee potluck on Friday at the District.

#### ACTION ITEM:

- Bid Award – Surplus Property - Approximately 20 Poles and Miscellaneous Pole Ends. Ms. Willner provided the details. A motion was made by Commissioner Larson and seconded by Commissioner Onley to award the bid to the highest bidder, as presented. The motion passed unanimously. Staff will proceed as appropriate.

#### LOAD GROWTH:

Mr. Willenbrock provided a powerpoint presentation on District load growth. He reviewed the District's strategic vision and core values, general service loads for residential, commercial and industrial, PNC load, new loads, forward electricity prices, Box Canyon generation shape, short-term solutions, Box Canyon remarket transaction physical flows, and long-term solutions.

Questions from the public included who pays for shovel-ready industrial infrastructure costs. Discussion was held.

The Board thanked Mr. Willenbrock for his presentation.

#### BUDGET:

Sarah Holderman, District Chief Treasury, Broadband & Strategic Planning Officer provided a powerpoint presentation on the District's budget process. She reported the District is looking at a proposed \$60M consolidated budget for 2020. A budget hearing was held on November 5 and she will seek Board approval at the December 19 Board meeting.

She reviewed District rates as compared with other Washington State public utility districts and neighboring utilities. She explained the historical rates and that the District's goal is to have reliable service. Discussion was held.

The Board thanked Ms. Holderman for her presentation.

#### CUSTOMER ASSISTANCE & CONSERVATION:

Ms. Bartel provided a customer assistance powerpoint presentation and reported the District offers a variety of customer assistance programs which include budget payment billing, Neighbors in Need Low Income Assistance which is facilitated by Rural Resources, a winter moratorium State-issued program and SmartHub.

Amber Gifford, District Communications, Contracts & Conservation Manager provided a conservation and energy efficiency powerpoint presentation. She explained the

differences between the two topics and reported the Bonneville Power Administration runs these programs. She reported the District is currently offering a ductless heat pump and clothes washer energy conservation rebate incentive program to its customers. She reviewed the custom projects the District has done for its commercial and industrial customers. She is looking at possible energy conservation rebates in the future to include a smart thermostat. She involved meeting attendees in an energy efficiency pop quiz. Discussion was held.

The Board thanked Ms. Bartel and Ms. Gifford for their presentations.

Q&A WITH COMMISSIONERS/GENERAL MANAGER/STAFF:

Mike Manus, Pend Oreille County Commissioner thanked the Board and staff for bringing Ms. Ady here and commented that all the agencies can pull together and work in the same direction to meet county goals. Mr. Willenbrock thanked the county for its efforts.

Commissioner Knapp thanked everyone for attending.

There being no further discussion to come before the Board, the meeting adjourned at 6:51 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form