

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
July 30, 2019
BOX CANYON DAM, IONE, 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: None

The meeting was called to order at 9:00 a.m. by Curtis J. Knapp, President.

CONSENT AGENDA:

The minutes from the July 9, 2019 meeting, the July 26, 2019 special meeting and today's revised agenda were reviewed. Commissioner Onley noted a regional meetings language addition to the July 9, 2019 minutes.

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, July 30, 2019, the Board, upon motion by Commissioner Larson and seconded by Commissioner Knapp approved the following:

- The minutes of July 9, 2019 meeting with the correction that was noted, July 26, 2019 special meeting and the revised agenda for July 30, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 3142 through 3222 in the total amount of \$201,937.10; ACH payments in the total amount of \$542,865.84; Wire transfers in the total amount of \$755,637.43; and ACH payroll transactions in the total amount of \$227,941.42 for the payroll ending July 15, 2019.

PRE-APPROVAL OF COMMISSION TRAVEL:

Commissioner Knapp explained the travel planning form. Discussion was held on the next month's meetings attendance.

Commissioner Larson plans to attend the Board meetings on August 6 and 20 in Newport, a Northwest Open Access Network (NoaNet) Board meeting on August 14 in Spokane, an Economic Development Council (EDC) meeting on August 21 in Cusick, and a Tri-County Economic Development District meeting on August 28 in Colville.

Commissioner Knapp plans to attend the Board meetings on August 6 and 20 in Newport, a Bond Ratings Presentation on August 7 – 9 in New York, and an Energy Northwest Strategic Planning Retreat on August 21 – 23 in Chelan.

Commissioner Onley plans to attend the Board meetings on August 6 and 20 in Newport, and the EDC meeting on August 21 in Cusick.

A motion was made by Commissioner Larson and seconded by Commissioner Onley to accept and approve the commissioners travel plans for August. The motion passed unanimously.

BOARD WORKSHOP:

Colin Willenbrock, District General Manager introduced Jason Pimental, District Safety Coordinator; Josie Bennett, District Controller; and Suzie Thompson, District Human Resources Manager.

He and Tyler Whitney, District Chief Legal, Generation & Regulatory/Government Affairs Officer toured the Box Canyon Upstream Fish Passage project this morning.

He reported the District scheduled a planned outage for yesterday and today to do maintenance on the Cusick Substation.

Commissioner Onley will plan to attend the Citizens Water Committee meeting on August 16 at the District in Newport. Discussion was held.

Mr. Willenbrock reported the grandstand poles work at the Cusick Fairgrounds was finished.

He provided an overview of the pole top rescue mock training exercise. He commended the north end line crew for having it well planned out. Mr. Willenbrock also commended Mr. Pimental for picking up the phone and planning this coordinated event with all the various agencies who were also very appreciative to be involved.

SAFETY SPOTLIGHT:

Mr. Pimental expressed his appreciation of the fire departments and our staff and crews who took the mock training exercise seriously. He reported it was a well-orchestrated event and he was pleased with how and what everyone did. He explained the different scenarios.

Discussion was held regarding the Newport Administration Building elevator issue.

CUSTOMER SPOTLIGHT:

Commissioner Larson reported he had a conversation with a Sunvale Acres Water System customer regarding hook-up to the existing water line. He reported that Mr. Scott has also spoken with the customer.

Commissioner Knapp was contacted by a couple of customers regarding sub-contractors and the Cusick Water Treatment Plant.

BREAK/BUSINESS FROM THE PUBLIC:

No break was taken and there was no business from the public.

COMMISSION REPORT:

Commissioner Onley attended Washington Public Utility Districts Association (WPUDA) meetings on July 16 – 19 in Leavenworth which included a tour of Rocky Reach Dam. He provided an overview and complimented Commissioner Knapp on his speech to the WPUDA Board members on the importance of WPUDA and gratitude of Chelan County PUD hosting the meetings. He attended the Special Board meeting on July 26, via teleconference.

Commissioner Larson attended a Federal Partners Information Forum hosted by EDC on July 16 at the Kalispel Tribe of Indians Casino and provided an overview. He attended an EDC Smart Growth America Program meeting on July 17 in Newport. Discussion was held.

Commissioner Knapp attended the WPUDA meetings on July 16 – 19 in Leavenworth, Down River Days and Parade on July 27 in Ione, and an Energy Northwest on July 23 in Pasco. He reported the NoaNet acquisition by Energy Northwest was the topic of discussion and he provided an acquisition timeline. Discussion was held regarding the District's role.

COMMISSION BUSINESS:

- 2019 Newport Area Annual Bike Rodeo Funding Request. A motion was made by Commissioner Onley and seconded by Commissioner Larson to contribute \$100 for the group to purchase helmets. The motion passed unanimously.
- Pend Oreille Harvest Festival 2019 Sponsorship Funding Request. Discussion was held. No action was taken due to a lack of a motion.

Following a 5-minute break, the meeting resumed.

MANAGEMENT REPORT:

Colin Willenbrock, General Manager:

He reported the August 6 and 20 Board meetings will include Strategic Planning exercises to go through each department for staffing, budgets, capital projects and to add individual department strategic plans.

He provided an overview of today's resolution amendment action item. He will attend a Central Washington Public Utilities Bargaining and Unified Insurance Program meeting on September 4 and 5 in Spokane.

Josie Bennett, Controller:

She is working on the Preliminary Official Statement for the bonds in preparation of District staff's bond pricing presentation on August 7 – 9 in New York.

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

She reported Ms. Bennett is working on the June Financial Report.

She reported the Preliminary Official Statement will be sent to the agencies by the end of this week. She is working on the bond presentation.

She is gearing up for the Citizens Water Committee meeting scheduled for August 16 at the District. She reported some water systems will have incremental adjustment recommendations. Discussion was held.

She reported Mr. Scott submitted an application for a Community Economic Revitalization Board grant to conduct a feasibility study for fiber in northern Pend Oreille County. He was invited to attend a meeting on September 19 in Olympia. No word on the funding outcome has been received.

Mr. Willenbrock reported the Official Statement provides a good overview of the District and addresses items that rating agencies have told us we need to do to improve our bond rating. Discussion was held.

Kevin Conway, Chief Compliance, Engineering & Technology Officer:

He reported the Box Canyon power sale is going great. He has a phone call with Portland General Electric (PGE) next week. He reported the system operators worked with the hydro operators and this process is going well.

Mr. Conway reported upgrade work on the Pine Street Substation continues and regulators are three weeks out for delivery.

He reported Information Technology staff is continuing to improve the operator tools.

Suzie Thompson, Human Resources Manager:

She reported Jamie Johnson will start this Thursday as the Administrative Assistant at Box Canyon. She will go through the on-boarding process.

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

He reported site security has been improved at Box Canyon. There was another sinkhole at Campbell Pond which has been fixed and the pond is back open for public use.

He reported the bill payment kiosk for the Box Canyon Visitors Center was delivered.

He reported the Regulatory staff will offer an Aquatic Weeds Workshop on August 9 at the Kalispel Tribe of Indians Camas Wellness Center.

He met with John Armstrong, Seattle City Light to discuss the fish hatchery project and a potential license amendment for Boundary Dam for better conservation.

He has received more materials for the Pioneer Park Campground from Russ Pelleberg, Newport City Administrator. He will be looking for more information from the city.

He provided a Cusick Water Treatment Plant update and reported there is still work to do. The Department of Health has given the District until September 1 to approve acquisition of the water treatment plant in order to receive certain funding. Staff is working with the Town of Cusick to get its financials and is still waiting to receive them. He will provide a memo to the Board at the August 6 Board meeting. He explained the details of the grant. Discussion was held.

Following a 60-minute working lunch, the meeting resumed.

ACTION ITEMS:

- Professional Services Agreement – Hydraulic Performance Index Testing and Efficiency Modeling. Mr. Willenbrock and Mr. Conway provided the details. The agreement is with Alden Research Laboratory, Inc. Discussion was held. A motion was made by Commissioner Larson and seconded by Commissioner Onley to authorize the general manager to execute the agreement. The motion passed unanimously.
- Safety Policy. Mr. Conway and Mr. Pimental provided the details. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the policy. The motion passed unanimously.
- Unbudgeted Item – Advanced Meter Training Course. Mr. Willenbrock provided the details. A motion was made by Commissioner Onley and seconded by Commissioner Larson to approve the unbudgeted item in the total amount of \$14,560. The motion passed unanimously.
- Central Washington Public Utilities Joint Resolution Amendment. A motion was made by Commissioner Larson and seconded by Commissioner Onley to authorize the general manager to execute the amendment. The motion passed unanimously.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 5-minute executive session on pending and/or potential litigation commenced at 12:45 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 12:50 p.m. and the Board returned to open session. No final action was taken.

The Board of Commissioners and District staff toured the fish ladder project.

There being no further discussion to come before the Board, the meeting adjourned at 2:00 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form