

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
August 6, 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: Gretchen Koenig, 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 July 30, 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, August 6, 2019, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The minutes of July 30, 2019 meeting and the revised agenda for August 6, 2019.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 3223 through 3253 in the total amount of \$432,541.56; and ACH payments in the total amount of \$153,607.64.

Suzie Thompson, District Human Resources Manager introduced Jamie Johnson, newly hired Administrative Assistant at Box Canyon and reported that she started with the District this past Thursday. She is currently doing customer service training at the Newport office. Tyler Whitney, District Chief Legal, Generation & Regulatory/Government Affairs Officer provided Ms. Johnson's background and was appreciative that she is at the District. The Board welcomed her.

Discussion was held regarding the Aquatic Weeds Workshop scheduled for this Friday at the Kalispel Tribe of Indians Camas Wellness Center. Commissioner Onley will plan to attend.

BOARD WORKSHOP/GENERAL MANAGER'S REPORT:

- Cusick Water Treatment Plant Discussion.

Colin Willenbrock, District General Manager reported the District has been discussing this matter for a while. He reported Mr. Whitney will walk the Board and staff through the options and current status and Mark Scott, District Water Systems Manager will provide more detail to the available options.

Mr. Whitney reported the District has sent requests for documents to the Town of Cusick over the last several months but has not received anything. He reported the District has two weeks to approve acquisition to receive funding. Discussion was held. The Board will plan to attend the Town of Cusick Council meeting on August 12 in Cusick.

Mr. Whitney provided a powerpoint presentation on the Cusick Water Treatment Plant acquisition. He provided an overview of District water systems and the Cusick Water System.

Mr. Scott explained the phases and potential grant funding opportunities. Discussion was held regarding costs for the District to run the plant and conducting a customer survey.

The Board was in agreement for District staff to continue to pursue the acquisition. The Board thanked staff for their due diligence on this matter.

#### SAFETY SPOTLIGHT:

Jason Pimental, District Safety Coordinator reported he has been asked to spread the word on 811 Call Before You Dig for wildland fire notification. Discussion was held.

#### CUSTOMER SPOTLIGHT:

Mr. Willenbrock reported today's discussion on the Cusick Water Treatment Plant was the customer focus. He reported Kenna Tornow, District Communications & Public Contracts Manager and the team are getting ready for the Pend Oreille County Fair.

#### COMMISSION REPORT:

Commissioner Knapp attended the Kalispel Tribe of Indians Pow Wow on August 2 in Usk.

#### COMMISSION BUSINESS:

The Board of Commissioners will attend the Town of Cusick Council meeting on August 12 in Cusick.

Commissioner Larson will attend a Northwest Open Access Network Board meeting on August 14 in Spokane.

Commissioner Knapp will attend the bond rating presentation on August 7 – 9 in New York.

Commissioner Onley will attend the Aquatic Weeds Workshop on August 9 in Usk and a Citizens Water Committee meeting on August 16 in Newport. He thanked Mr. Willenbrock for providing the Preliminary Official Statement and reported it was a good read.

#### BREAK/BUSINESS FROM THE PUBLIC:

Gretchen Koenig, member of the public inquired if there was any word from Pac West. Mr. Willenbrock reported we have not heard anything from them. He reported they do have some money left from their initial deposit to the District and the District will discuss if it will be refunded or carried into next year.

Following a 5-minute break, the meeting resumed.

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

A 15-minute executive session on pending and/or potential litigation commenced at 10:15 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; April Owen, Chief Audit, Financial & Power Supply Officer; and Tyler Whitney, Chief Legal, Generation & Regulatory/Government Affairs Officer. The executive session adjourned at 10:30 a.m. and the Board returned to open session. No final action was taken.

#### STRATEGIC PLANNING WORKSHOP:

Mr. Willenbrock provided a powerpoint presentation of the bond rating presentation that will be given to Moody's and Fitch Rating agencies on August 8 in New York. Discussion was held.

He provided a powerpoint presentation on the District's strategic planning and reported today we are interested in the strategic visioning. He reviewed the strategic planning steps. Discussion was held regarding the District's mission and vision statements; Box Canyon Production debt balance, cash balance and days of cash on hand; Regulatory & Environmental Affairs license term and requirements and budget; Power Supply energy resources, power costs and dollars per MWh; Reliability Compliance North American Electric Reliability Corporation standards, Internal Reliability Compliance Policy and the compliance team; and Water Systems consolidated revenues and expenses.

There being no further discussion to come before the Board, the meeting adjourned at 12:23 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form