

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
July 6, 2023
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Curtis J. Knapp, President
Joseph B. Onley, Vice President
David W. Rick, Secretary

Staff Present: April Owen, Co-Interim General Manager
Sarah Holderman, Co-Interim General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: Tyler Whitney, Cable Huston, LLP, virtual
Kirk Boxleitner, Newport Miner, virtual
Elizabeth Barbosa, Member of the Public, virtual
A Guest, Member of the Public, virtual
Gloria Jean Wells, Member of the Public, virtual
Sonya Scaufaire, Selkirk Sun, virtual
Steve Wood, CEO, Merkle Standard, virtual

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

BOARD WORKSHOP:

Discussion was held regarding the electric vehicle charging station and a Newport RV Park ribbon cutting ceremony date.

APPROVAL OF CONSENT AGENDA:

The minutes from the June 20, 2023 meeting, the June 28, 2023 special meeting, today's agenda, and the vouchers were reviewed.

As of this date, July 6, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The agenda for July 6, 2023, the minutes of the June 20, 2023 meeting, and the special minutes of the June 28, 2023 meeting.
- 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. Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 8263 through 8299 in the total amount of \$620,152.18; ACH payments in the total amount of \$599,336.78; Wire transfers in the total amount of \$3,774,976.18; and ACH payroll transactions in the total amount of \$241,224.65 for the payroll ending June 15, 2023.

The motion passed unanimously.

GENERAL MANAGERS' UPDATE:

April Owen, District Co-Interim General Manager, reported staff attended Bonneville Power Administration (BPA)'s virtual meeting to review the feasibility study recently completed by BPA to increase the capacity at the Cascade Digital Mining site to 170MW. Staff from Cascade Digital also attended, and asked during the meeting whether they could operate at the current 100MW capacity at a 0.98 power factor. The District will follow up on this question through email correspondence with BPA. Discussion was held.

Bryant Kramer, District Director of Power Production, provided a turbine update and reported mid-September is the timeframe for replacing the proportional valves on unit 3. Discussion was held. He reported the river flows were at 21,000 cubic feet per second.

Sarah Holderman, District Co-Interim General Manager, attended a Northwest Open Access Network (NoaNet) Strategic Planning workshop last week and reported that NoaNet is looking into offering more operational services for members and other entities.

She reported we are moving forward with our meter replacement project. The bid went to General Pacific. We will start with the Pine Street Substation, then do the Metaline Falls Substation and work our way south with the Diamond Lake Substation being the last one. It is a 3-year period to complete the total project.

She reported we are watching the weather conditions in considering when to put the reclosers on one shot. Discussion was held. She reported the line crews are working with the fiber crew on fiber extensions.

ACTION ITEMS:

- Declaration of Surplus Property – Servers and Network Storage Equipment. Bob Pebles, District Information Technology Manager/Senior CIP Manager, reported the servers are old and equipment upgrades have been purchased. He is recommending the servers and network storage equipment be declared as surplus due to its age and being no longer usable by the IT department. Local schools will be contacted to see if interested and if not, the equipment will be recycled through an e-cycler. Based on staff recommendation, a motion was made by Commissioner Onley and seconded by Commissioner Rick to approve and declare the servers and network storage equipment as no longer necessary, material to, or useful in the operations of the District and, therefore surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.
- Power Supply Transactions for August. Ben Hall, District Energy Resources Manager, reported we'll need to purchase up to 5 - 10 MW of power for heavy load hours in August. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Onley to approve the power supply transactions for August. The motion passed unanimously.
- Unbudgeted Request – Voith Hydro Rotor Key Keepers. Mr. Kramer provided the details and reported most of the cost is for the engineering and manufacturing of the parts. Discussion was held. A motion was made by Commissioner Onley and seconded by Commissioner Rick to approve the unbudgeted request for the Voith Hydro rotor key keepers for turbine unit 4. The motion passed unanimously.
- Revised Amendment to the Electric Service Agreement with Cascade Digital Mining, LLC. Mr. Hall reported the amendment was approved by the Board at the June 28 special meeting and staff had a meeting with Cascade following that meeting. This revision is for a lower monthly premium amount than previously presented to the Board. Discussion was held.. A motion was made by Commissioner Rick and seconded by Commissioner Onley to approve the revised amendment with the reduced the monthly premium The motion passed unanimously.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported on lithium ion battery safety. He explained the batteries can easily catch fire and to be aware of a battery's bad smell and a crackling noise. To prevent battery fires, don't leave devices plugged in after they are fully charged. If a battery catches fire in your home the best fire extinguisher is an A,B,C rated one. Discussion was held.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, reported the Annual Aquatic Weed Workshop will be held on July 14 at the Camas Wellness Center. Scott Jungblom, District Natural Resources Manager will provide a presentation. Attendees will need to register in advance. The registration information is on our website. The Board commended Mr. Jungblom for always having a great informational presentation.

Ms. Owen commended Ms. Gifford and staff volunteers regarding the Newport Rodeo Parade. The Board thanked Ms. Gifford for organizing.

COMMISSION REPORT:

The Board of Commissioners attended the Special Board meeting on June 28.

Commissioner Knapp met with Mr. Pebles and Shannon Johnston, District Communications & Utility Services Coordinator, on June 30 regarding a public records request. He thanked the co-interim general managers for their updates. He had phone calls regarding Cascade's amendment and spoke with Tyler Whitney, Cable Huston, LLP regarding it.

Commissioner Rick attended a virtual Tri-County Economic Development District (TEDD) meeting on June 26 and provided an overview which included a Northeast Washington Trends website.

Commissioner Onley had a customer call and a call from the Newport Miner regarding Cascade's amendment. He visited the Diamond Lake Substation site project. He attended a virtual Washington Public Utility Districts Association (WPUDA) Water Committee meeting on June 29 and a virtual Greater Newport Area Chamber of Commerce meeting last night and provided an overview.

Following a short recess, the meeting resumed.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Knapp asked if there was any business or comments from the public.

Steve Wood, CEO of Merkle Standard, reported today's market price is \$65 per MW for heavy load hours and \$44 per MW for light load hours and requested if Cascade could purchase and pre-pay for more power for July. Commissioner Knapp reported the Board will discuss this with staff and staff will follow up. He appreciated Mr. Wood's comment.

COMMISSION BUSINESS:

The Board of Commissioners will attend the Special Board meeting for an executive session to evaluate the qualifications of an applicant for public employment tomorrow in Newport. The Board will attend the WPUDA meetings on July 12 – 14 in Suquamish.

Commissioner Rick will attend the Board meeting on July 18 in Newport, a Port/County/PUD meeting on July 19 in Usk and a virtual TEDD meeting on July 25. Commissioner asked for Board discussion for the July 19 Port/County/PUD meeting at the July 18 Board meeting.

Commissioner Knapp will attend a virtual Energy Northwest Regional Task Force meeting on July 24.

Ms. Owen provided an update on the WPUDA General Managers Committee's search for the Executive Director job position.

Commissioner Knapp announced a 1-hour executive session on pending and/or potential litigation will begin at 10:25 a.m., with Tyler Whitney in attendance. If the executive session needs to be extended, he will rejoin the open session to publicly announce an extension. No final action will be taken during the executive session. Following the executive session he and/or the Board will rejoin the open session to adjourn the meeting.

He reported the next meeting is July 18, 2023, in the Newport Conference Room, Newport and via Microsoft Teams.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 1-hour executive session for pending and/or potential litigation commenced at 10:25 a.m. The following were in attendance: Board of Commissioners; April Owen, Co-Interim General Manager; Sarah Holderman, Co-Interim General Manager; Ben Hall, Energy Resources Manager; and Tyler Whitney, Cable Huston, LLP, virtual. The executive session adjourned and the Board returned to open session at 11:33 a.m. No final action was taken during the executive session.

He reported the next meeting is July 18, 2023, in the Newport Conference Room, Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 11:35 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form