

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
August 6, 2024  
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND  
VIRTUAL VIA MICROSOFT TEAMS

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

Staff Present: John Janney, General Manager  
Management/District Staff  
Karen Willner, Clerk of the Board

Others: Gretchen Koenig, Member of the Public  
Jessica Garza, Economic Development Director, Port of Pend  
Oreille  
Troy Moody, Member of the Public

The meeting was called to order at 8:30 a.m. by Joseph B. Onley, President.

BOARD WORKSHOP:

Discussion was held regarding a days of cash on hand refresher, and status of the Deer Valley Substation transformer and the size of the transformer. Chris Jones, District Director of Operations, reported the transformer is not energized yet and for protection, we are trying to get a recloser on the outside of the substation.

Commissioner Onley noted issues with navigating our website and he commended Sarah Holderman, District Director of Customer Services, and her team for the digital equity information on our website.

APPROVAL OF CONSENT AGENDA:

The minutes from the July 30, 2024 meeting, today's agenda, and the vouchers were reviewed.

As of this date, August 6, 2024, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Rick approved the following:

- The agenda for August 6, 2024 meeting, and the minutes of the July 30, 2024 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. 9565 through 9581 in the total amount of \$70,742.75; and ACH payments in the total amount of \$783,316.93.

The motion passed unanimously.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported on the top 10 most common Labor and Industries violations for Washington State electric utilities.

CUSTOMER SPOTLIGHT:

Shannon Johnston, District Customer Service Supervisor, provided a Clean Energy Credits for Washington Families Grant Program update and reported over 500 customers

applied and were qualified to receive a one-time \$200 bill credit. She reported on how we advertised the grant program and that we have spent \$100,000 of the grant funds.

She reported we have partnered with the Tri-County Economic Development District in doing a broadband grant survey.

She reported the Pend Oreille County Fair is August 15 – 18 in Cusick and the theme is “The Best in The West” recognizing and honoring all local business workers. Amber Gifford, District Communications and Contracts Administrator, is soliciting for volunteers.

Discussion was held regarding wildfire mitigation and protection.

#### GENERAL MANAGER REPORT:

John Janney, District General Manager, provided an update on initiatives the District is working on to include the County Hazard Mitigation Plan, which is ongoing and updated every five years. He commended Angie Hall, District Regulatory Compliance Analyst, for doing a great job managing our part of the plan. We are working on our Wildfire Mitigation Plan and will submit it to the Washington State Department of Commerce for review by the end of October. Our Compensation Study for non-bargaining unit positions is ongoing and we hope to have the initial results back this month. We are doing a 10-year Financial Forecast and Rate Study with all of our subject matter experts discussing our future needs including capital expenditures and workforce succession plans. Ben Hall, District Energy Resources Manager, is working on our Integrated Resource Plan which we are not required to have but it is a good source of what resources we need and have and it goes along with our 10-year Forecast and Rate Study. We utilized a team of third-party experts to conduct a Safety Program Gap Analysis and Safety Culture Survey. The results will be presented to all employees in the near future. We want to give the Board a baseline of where we are now and what we will need in the future as we strive to meet the needs of our customers in a fast-changing environment. All of these elements will be incorporated into our 10-year Forecast and Rate Study. Our plan is to provide an initial presentation to the Board by the end of September. Discussion was held. Commissioner Knapp commended the entire team for their work in doing what the Board has asked them to do and they are doing a great job.

Mr. Janney reported our new Public Information Officer will start in August and will help with our customer, community, and stakeholder engagement.

#### PUBLIC HEARING FOR ELECTRIC SYSTEM, COMMUNITY NETWORK SYSTEM (CNS), AND WATER SYSTEM ADJUSTMENTS TO ADMINISTRATIVE CHARGES:

Pursuant to notice given to the Newport Miner, a public hearing to discuss and consider the Electric System, Community Network System (CNS), and Water System adjustments to the administrative fees commenced at 9:00 a.m. There were seven members of the public in attendance.

Ms. Holderman reported the Board sets our rates and fees, and takes both staff and customer comments into account. There is an action item today but the Board can push it to the next meeting if needed.

She reviewed the current and proposed administrative fees. She and staff are recommending to add a new remote service meter reconnection fee. Discussion was held. She explained there are three separate policies but they are all consistent for these administrative fees.

Commissioner Onley asked for Board, staff, and public comments. There were no comments.

The public hearing ended at 9:09 a.m.

### ACTION ITEMS:

- Approval of Revised Electric Service Rates and Credit Policy, CNS Policy and Fees Policy, and Water Service Rates and Credit Policy. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the revised policies. The motion passed unanimously.
- Early Release for Employee Safety Day. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the early release for Employee Safety Day on September 10 at 12:30 p.m. The motion passed unanimously.
- Approval of Modification to Cascade Digital Mining, LLC's Electric Service Agreement. Mr. Hall reported Cascade Digital currently buys market power on a monthly basis and they are requesting the ability to purchase market power on a daily basis. Staff has worked with our general counsel and our balancing authority on a pilot program plan. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the modification to Cascade Digital's current agreement and authorize the general manager to execute the agreement in substantially the same format as presented. The motion passed unanimously.

### BONNEVILLE POWER ADMINISTRATION (BPA) OVERVIEW AND PROVIDER OF CHOICE DISCUSSION:

Mr. Hall provided an overview and history of the BPA Project and the statutory foundations defining BPA's mission, operations, and key statutory obligations. He reviewed the energy market prices impact to revenues over time, the Regional Dialogue contracts, and establishment of our Contract High Water Mark. He reported that with the expiration of Regional Dialogue, BPA intends to issue Provider of Choice (POC) Contracts. The POC Policy was released in March 2024 and the contract development is currently underway. All POC Contracts need to be executed by December 2025. He explained the POC Contract for the District and reported the District's biggest challenge is arriving at a Contract High Water Mark. Discussion was held.

Following a short recess, the meeting resumed.

### BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Gretchen Koenig, member of the public, inquired about who signs Cascade's modified agreement and the term limit pilot program. Mr. Hall reported the general manager will sign and the term will be determined in the agreement. She inquired if Mr. Janney's initiatives will be covered at the townhall meeting. Mr. Janney reported they will be covered so the information can be provided to the public.

Jessica Garza, Economic Development Director, Port of Pend Oreille reported they have finished the feasibility study and will next look at infrastructure which the PUD is a part of and the Port will have meetings and conferences. She can share the study by email with anyone who is interested.

Troy Moody, member of the public, inquired if the meter reconnect and disconnect fees are charged immediately to the customer or if the customer can do a payment plan. Ms. Holderman reported the customer needs to pay at that time.

Commissioner Onley thanked the public for attending and for their comments and questions.

### BONNEVILLE POWER ADMINISTRATION (BPA) OVERVIEW AND PROVIDER OF CHOICE DISCUSSION (continued):

Mr. Hall reviewed the POC Contract next steps to determine if the District should continue working towards the Contract High Water Mark. Discussion was held. He explained residential exchange which is money that goes to investor-owned utilities to keep customer rates low.

The Board thanked Mr. Hall for his educational presentation.

#### QUARTERLY FINANCIAL UPDATE:

April Owen, District Director of Finance, provided a quarterly financial update and reviewed the operation performance through June 2024. She compared the 2022 and 2023 interest rates and income for each system. She reviewed the Electric System operation results and reported that our general service revenue is \$100,000 under budget. She reviewed Cascade Digital's monthly energy heavy and light load levels. She reviewed the CNS operation results and reported we are close to budget despite the outage hours. She reviewed the Box Canyon Production System and reported we have good generation and operations are under budget. She reviewed our Water Systems and reported operations are under budget and we are currently working on a rate analysis for each system and the annual water meetings are scheduled in November.

She reported the Electric System unrestricted cash has increased from \$51.3M at December 31, 2023 to \$53.6M at June 30, 2024 and we expect to build cash over the first six months of the year. She reviewed the combined statement of cash flows and the capital projects budget and spending. Discussion was held. She reviewed the cash flow waterfall which shows how we get our funds from revenue and interest minus spending and capital project expenses and it is based on the cash flow statement.

The Board thanked Ms. Owen for her presentation.

#### COMMISSION REPORT:

There was no commission report since the last meeting.

#### COMMISSION BUSINESS:

Commissioner Knapp will attend the Public Power Council and Pacific Northwest Utilities Conference Commission meetings on August 7 - 9 in Portland.

Commissioner Rick will not attend the North Pend Oreille Chamber of Commerce meeting on August 8 which is targeted towards schools attending but the District will provide materials for the meeting. He will attend a Metaline Falls Town Council meeting on August 13 in Metaline Falls, and he volunteered for the District's booth at the Pend Oreille County Fair on August 17 in Cusick.

Commissioner Onley reported the Greater Newport Area Chamber of Commerce meeting was moved from August 7 to August 14.

Commissioner Onley asked if there was any other business for the good of the order.

Commissioner Knapp asked how many summer students we have this year. Ms. Owen reported there are seven summer students in total.

Mr. Janney noted a future meeting topic for a balancing authority overview and encouraged the Board and staff to let him know of any topics. Discussion was held regarding breaking up the meeting into two sessions or meeting on a separate day.

Commissioner Onley reported that following a Summer Student Recognition Lunch to honor our students, the meeting would be adjourned. He reported the next meeting will be held on August 20 at 8:30 a.m., in the Newport Conference Room, Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 12:15 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form