

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
July 16, 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: Management/District Staff  
Karen Willner, Clerk of the Board

Absent: John Janney, General Manager

Others: Gretchen Koenig, Member of the Public  
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 customer conversation with a commissioner if Cascade Digital Mining, LLC can resell their power – Ben Hall, District Energy Resources Manager, reported Cascade cannot resell their power and they need to go through us. Questions regarding late charges were addressed and April Owen, District Director of Finance, reported we stopped that service with one vendor due to late charges.

APPROVAL OF CONSENT AGENDA:

The minutes from the July 2, 2024 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, July 16, 2024, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Rick approved the following:

- The revised agenda for July 16, 2024 meeting, and the minutes of the July 2, 2024 meeting, as amended.
- 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. 9501 through 9544 in the total amount of \$159,926.44; ACH payments in the total amount of \$1,023,084.39; Wire transfers in the total amount of \$238,274.92; and ACH payroll transactions in the total amount of \$263,063.16 for the payroll ending June 30, 2024.

The motion passed unanimously.

MANAGEMENT REPORT:

Bryant Kramer, District Director of Power Production, reported John Janney, District General Manager, is on personal leave this week, is available by phone, and asked him to cover.

Bryant Kramer, Director of Power Production:

He provided a water system update and reported the Sunvale Acres Pipe Replacement Project is close to being done and the contractor is working on chlorinating the pipes on

E. Joyner Drive. He commended Rusty Gill, District Lead Water System Operator, for doing a great job managing the project and working with the contractor.

He provided a production update and reported turbine unit 4 is down due to crews repairing a guide bearing. Next week unit 3 will be down due to changing the hydraulic oil and this will last for a few months. He explained the guide bearing tightening process and reported the unit will need to be dewatered when the work is being done. The guide bearings will also be tightened on unit 3 and the water flows will be down, but we will not be losing any generation.

He reported we are having a summer student recognition Board lunch on July 30 at Box Canyon and another one on August 20 in Newport. He inquired if the Board wants to take any District property tours on July 30 after lunch. Discussion was held.

Chris Jones, Director of Operations:

He reported the contractor for the OPGW project is done with their portion of the project. The Community Network System (CNS) technicians are splicing and should be done next week. He explained the splicing process. Discussion was held.

He reported WEG will be here July 24 - 25 to commission the Deer Valley Substation transformer and test the cooling fans and oil pressure. We will plan to energize the transformer on July 29 and allow the oil to warm up for three days then we will add load and get the substation up and running. We are working with Inland Power and Light to see if they want our old transformer. Discussion was held.

He reported the Board will see the larger invoices for the transformers that have arrived.

Ben Hall, Energy Resources Manager:

He provided a market update and reported we went through a period of hot temperatures but the prices for heavy load averaged around \$150 per MW on the hottest days.

He reported that the Board may see emails regarding an agreement in principle for the Columbia River Treaty renewal. He explained that the Canadian entitlement for energy power capacity should drop, but it is not clear yet how payments will change between the United States and Canada.

He provided a Cascade Digital Mining, LLC update and reported Cascade has a few months left on their current electric service agreement. They want the ability to access daily power prices. He explained we are working with our balancing authority to give them access while still limiting our risk. As long as they prepay we will continue to work with our balancing authority and Cascade. We will introduce a pilot program with this new product at a future Board meeting for the Board to consider. Discussion was held regarding labor and administrative costs and prepayment. Commissioner Onley thanked Mr. Hall for his efforts in working with Cascade. Commissioner Knapp inquired if restarting the paper mill is still an option. Mr. Hall reported Cascade is working with their engineers and have the go ahead from Bonneville Power Administration (BPA) to test the refiner motors but Cascade hasn't done that yet. He reported that BPA still requires capital upgrades to run two different types loads simultaneously.

April Owen, Director of Finance:

She reported the Information Technology (IT) staff was able to do work on our system on Friday and successfully updated our firewalls last night. Discussion was held regarding IT's flexible work schedule.

She reported we were recently reviewed by Fitch Ratings and have no changes to our A stable credit rating. If there are no changes then Fitch doesn't do a write up. Discussion was held comparing Fitch Ratings to Moody's Analytics. Moody's will review the District in a few months.

She reported we are still in the midst of our state audit on the Clean Energy Transformation Act but haven't heard much from the auditor. Our state accountability audit for 2022-2023 is occurring.

Discussion was held regarding the Board meeting schedule and having one a month option.

Sarah Holderman, Director of Customer Services:

She is planning a public rate hearing on August 6 to add a remote meter reconnect fee and to adjust the administrative charges for the Electric, CNS, and Water Systems. Discussion was held.

She reported we have been replacing failing meters and will be doing a more systematic approach. We will identify a route, send postcards to customers on that route, and hang door hangers once meters are changed out. Flyers and business cards are being printed for employees to provide to customers. Discussion was held regarding substations up and running status.

She reported customers may receive a text from the Washington State Department of Commerce regarding a one-time \$200 bill credit from the Clean Energy Credits for Washington Families Grant Program for eligible low- and moderate-income residential electric customers. She explained this is not spam and directed people to visit our website for a link and phone number. The grant is available through September 15.

She reported we will launch a broadband survey through the COS software for BEAD Grant opportunities. Survey information will be in our Customer Connect newsletter and on our website.

Mr. Kramer reported the fish ladder is running. Scott Jungblom, District Natural Resources Manager, caught two target fish in the last two weeks so we need to keep the fish ladder running per our license. Mr. Jungblom got over 100 small mouth bass yesterday.

#### COMMISSION REPORT:

Commissioner Rick attended an Economic Development Advisory Committee meeting on June 27 in Usk and provided an overview. He attended a Metaline Town Council meeting on July 10 in Metaline and provided an overview.

Commissioner Knapp attended Energy Northwest Columbia Nuclear Safety Review Board meetings on July 8 - 11 in Tri-Cities and provided an overview. He had breakfast with Tyler Whitney, Cable Huston, LLP on July 11. He had conversations with various individuals throughout the week.

Commissioner Onley attended a rescheduled Greater Newport Area Chamber of Commerce meeting virtually on July 10 and provided an overview. He attended an Aquatic Weeds Workshop on July 12 in Usk. He commended Mr. Jungblom for his presentation and information.

#### COMMISSION BUSINESS:

Commissioners Onley and Rick will attend virtual Washington Public Utility Districts Association (WPUDA) meetings on July 17 – 19 and the next Board meeting on July 30 at Box Canyon.

Commissioner Knapp will attend the WPUDA meetings on July 17 – 19 in Longview, Energy Northwest Executive Board meetings on July 24 - 25 in Tri-Cities, and the next Board meeting on July 30 at Box Canyon.

Mr. Kramer reported he had a conversation with a person who is interested in buying a private piece of property and inquired about the river elevation. He referred the person to our website for the USGS National Water Dashboard with our river information.

Commissioner Onley announced a 20-minute executive session to review the performance of a public employee will begin at 9:40 a.m., in this room. 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 the Board will rejoin the open session to resume the meeting. He reported the next meeting will be held on July 30 at 9:30 a.m., at Box Canyon Dam, in Ione and via Microsoft Teams.

EXECUTIVE SESSION – REVIEW OF PERFORMANCE OF A PUBLIC EMPLOYEE:

A 20-minute executive session to review the performance of a public employee commenced at 9:40 a.m. The following were in attendance: Board of Commissioners. The executive session ended at 9:55 a.m. and the Board returned to open session. No final action was taken during the executive session.

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 if the District has or will establish an account for Cascade for their daily access and if they or the District receives the interest. Ms. Owen reported we do this now and have an account where they prepay and we receive the interest. Ms. Koenig inquired as to how long Cascade is interested in extending their current electric service agreement. Mr. Hall reported that we haven't discussed this with them. Commissioner Onley thanked Ms. Koenig for her questions and comments.

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

Karen Willner, District Clerk of the Board, asked for the Board's feedback in scheduling the Annual Legislative Luncheon and District Townhall meeting. Discussion was held.

Commissioner Onley reported the next meeting is scheduled for July 30, 2024, starting at 9:30 a.m., at Box Canyon Dam in Ione and via Microsoft Teams. He adjourned the meeting at 10:08 a.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form