

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
March 19, 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  
Steve Wood, Merkle Standard  
Laura Verity, Merkle Standard

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

BOARD WORKSHOP:

Discussion was held regarding the California ISO market and EDAM program and the Public Power Council, Bonneville Power Administration's Provider of Choice Policy and Record of Decision, SPP Markets+ and governance.

Discussion was also held regarding customer annual payments discount and our Northwest Open Access Network interlocal agreement.

APPROVAL OF CONSENT AGENDA:

The minutes from the March 5, 2024 meeting, today's agenda, and the vouchers were reviewed.

As of this date, March 19, 2024, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Rick approved the following:

- The agenda for March 19, 2024 meeting, and the minutes of the March 5, 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. 9150 through 9206 in the total amount of \$153,225.09; ACH payments in the total amount of \$651,816.47; Wire transfers in the total amount of \$218,348.52; and ACH payroll transactions in the total amount of \$235,396.87 for the payroll ending February 29, 2024.

The motion passed unanimously.

GENERAL MANAGER REPORT:

John Janney, District General Manager, reported a Leadership Team Strategic Plan Workshop will kick off tomorrow. We will then reach out to staff, community stakeholders and customers for their input. Discussion was held.

ACTION ITEMS:

- Approval of Bid Award – OPGW Replacement Project, Contract No. 23-058. Commissioner Onley asked questions of staff regarding reel links, splicing, and consultant opinions. Discussion was held on system failure, lightning strikes, and

reliability. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the bid award to the apparent low bidder, Olympic Electric in the total amount of \$766,716.30. Discussion was held. The motion passed. Commissioner Onley was opposed.

- Resolution No. 1484 – Appointment of Administrator and Representative Signature Certifier for USDA’s Online Application Intake System for Telecommunications Programs. Sarah Holderman, District Director of Customer Services, reported this is a grant requirement to allow access to the online application system. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to appoint Sarah Holderman, District Director of Customer Services as the Administrator and Representative Signature Certifier. The motion passed unanimously.
- Approval of Cascade Digital Mining, LLC Electric Service Agreement (ESA). Ben Hall, District Energy Resources Manager, provided the general contract terms of the proposed ESA and reported it is a 6-month term starting April 1 with a load capacity of 60 MW. Discussion was held. Steve Wood, Merkle Standard, thanked Mr. Hall and District staff for working with them on this proposed agreement. Mr. Janney complimented Mr. Hall, District staff, and Cascade staff for coming to a decision on the proposed agreement. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve and authorize the general manager to execute the Cascade Digital Mining, LLC ESA in substantially the same form as presented. Commissioner Knapp commented the sooner the better when working on these agreements so that deadlines aren’t missed. The motion passed unanimously.
- Approval of April Energy Transaction. Mr. Hall reported we have surplus power in light load hours for the month of April and, assuming the new ESA approved by the board is finalized and executed in a timely manner, we will offer it to Cascade. If Cascade does not take the surplus power, he would like contingent approval to work with a third party to sell the surplus power. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the April Energy Transaction as presented. The motion passed unanimously.

#### SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported on situational awareness safety training and explained three components: perceiving the various environmental elements, understanding what the environmental elements mean to you and how they affect you, and predicting how the elements may change over time. He explained the importance of focusing on what really matters for safety awareness.

#### CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service and Contracts Manager, reported on the different methods for obtaining the Board meeting information. She shared her screen and navigated through Commissioners and Meetings on our website. She showed a link at the top of the page for today’s meeting. We also post the Board agenda on our Facebook page and the agendas are posted in hard copy form in the customer service lobby, on the atrium doors, and at the Box Canyon Visitors Center.

#### MANAGEMENT REPORT:

##### John Bricher, Finance Manager:

He provided a 2023 Financial Statement audit with Moss Adams update and reported an audit results presentation will be given at the April 2 meeting. The finance team is working on the 2024 financial reports format. Commissioner Onley would like to see information for the most expensive and least expensive power we’ve bought and sold in a

given month and for a given hour. Mr. Janney will have staff look at the time involved in providing the information. Discussion was held.

Mr. Janney reported Bryant Kramer, District Director of Power Production, was not able to attend today's meeting due to a conflict and provided a production update. He reported we had divers on site last week inspecting the trash racks on turbine units 3 and 4. Some holes were found and repaired.

He reported we are required by the Department of Health to do a water system inventory for lead pipes. Staff is working on this project and Ms. Holderman referenced a Washington Public Utility Districts Association (WPUA) Friday Facts article regarding the project that will be posted on our website.

Suzie Wrbelis, Director of Human Resources:

She reported our summer student program will be kicking off and job positions were posted yesterday on our website and will also be posted in the newspaper. There are 15 job positions available this summer.

Chris Jones, Director of Operations:

He reported the AMI meter replacement project is underway. Concrete is being poured at substations and equipment is being installed. They are working on the Modular Transformer Units at the Pine Street Substation and then they will move to the Cusick Substation. Test meters are being installed.

He reported crews are doing a few line extensions and county road restrictions remain in effect. Discussion was held regarding the meters.

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.

Laura Verity, Merkle Standard, reported their site is a topic of conversation at various meetings so she will try to attend these meetings in person or virtually.

Gretchen Koenig, member of the public, thanked Karen Willner, District Clerk of the Board, for providing the March 21 Special Meeting Agenda to her. She would like to see the Board meeting documents before the meeting to be able to review them and inquired if there is a way to get them or if they can be posted on our website. Mr. Janney reported staff will discuss to see what we can do.

Mr. Jones reported he has been working at the District for over 30 years and commented that we aren't a big utility but we are a very busy utility. Based on his own interactions with customers over the years, almost all of them believe that we are trying to protect them and we work hard to get the power restored in a timely manner.

Commissioner Onley thanked everyone for attending and for all their comments.

MANAGEMENT REPORT (continued):

April Owen, Director of Finance:

She reported the 2023 Annual Report will be published in a few weeks. She provided a 2023 Financial Review which included major events, interest income, working capital, capital spending, revenue, Cascade Digital's MW usage, Box Canyon costs and generation, operations and maintenance expenses, protection, mitigation and enhancement expenses, and administrative and general expenses. Discussion was held.

Mr. Janney reported we are working with a third party and with staff to update our Wildfire Mitigation Plan.

Sarah Holderman, Director of Customer Services:

She reported we are not planning on applying for the Reconnect Grant due to last minute changes in the application scoring criteria. We will focus on the BEAD grant. She provided the grant requirement details and explained the grant application process. She is working with Sonya Scaufaire, Selkirk Sun, and a consultant for the Port on the BEAD challenge process. She noted doing a possible customer survey as a resource. Mr. Janney thanked Ms. Scaufaire for her role in helping in the north end part of the county and providing cooperation between businesses.

COMMISSION REPORT:

Commissioner Onley attended the virtual WPUDA meetings on March 13 - 15 and provided an overview. He attended the Greater Newport Area Chamber of Commerce Gala on March 16 in Priest River and had a weekly update meeting yesterday with Mr. Janney.

Commissioner Rick attended an Ione Town Council meeting on March 6 in Ione and provided an overview. He attended the virtual WPUDA meetings on March 13 - 15 and provided an overview. Discussion was held.

Commissioner Knapp attended Energy Northwest Corporate Nuclear Safety Review Board meetings on March 4 – 7 in Richland, a virtual WPUDA Nominating Awards Committee meeting on March 11, a virtual WPUDA Board Chairs Nominating Committee meeting on March 11, a virtual Energy Northwest Budget Committee meeting on March 12, the virtual WPUDA meetings on March 13 - 15, and a virtual Energy Northwest State Auditor Entrance Conference on March 14. He met with Mr. Janney for breakfast and spoke with a customer on March 16.

COMMISSION BUSINESS:

Commissioner Knapp will meet with representatives from Strategies 360 today in Newport, a virtual Energy Northwest Resource Task Force meeting on March 20, Energy Northwest Executive Board meetings on March 26 – 28 in Pasco, and the Board meeting on April 2 in Newport.

Commissioner Rick will meet with representatives from Strategies 360 today in Newport, an Economic Development Council meeting on March 20 in Cusick, a Pend Oreille County Representatives Workshop on March 21 in Newport, a Tri-County Economic Development District meeting on March 27 in Colville, and the Board meeting on April 2 in Newport.

Commissioner Onley will meet with representatives from Strategies 360 today in Newport, a Pend Oreille County Representatives Workshop on March 21 in Newport, a WPUDA Water Committee meeting on March 28 in Olympia, and the Board meeting on April 2 in Newport.

- Pre-Approval of Commissioner Travel or Meeting Attendance for April. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the commissioner's travel or meeting attendance for April. The motion passed unanimously.

Commissioner Onley announced a 45-minute executive session to review the performance of a public employee will begin at 11:15 a.m., in the Riverbend Conference Room. If the executive session needs to be extended he will rejoin this meeting to extend the executive session. No final action will be taken during the executive session. Following the executive session, he and the Board will rejoin the open session to take action and/or to resume the meeting.

Following a short recess, the meeting resumed.

EXECUTIVE SESSION – REVIEW OF PERFORMANCE OF A PUBLIC EMPLOYEE:

A 45-minute executive session to review the performance of a public employee commenced at 11:15 a.m. The following were in attendance: Board of Commissioners; and John Janney, General Manager. The executive session adjourned at 12:02 p.m. and the Board returned to open session. No final action was taken during the executive session.

Commissioner Onley reported that following a working lunch, the meeting will be adjourned at 12:30 p.m. The next meeting is scheduled for April 2, 2024, in the Newport Conference Room in Newport and via Microsoft Teams.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form