

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
March 5, 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, virtual

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

Others: Gretchen Koenig, Member of the Public
Sonya Scauftaire, Selkirk Sun

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

BOARD WORKSHOP:

Discussion was held regarding our surplus process and power outages.

APPROVAL OF CONSENT AGENDA:

The minutes from the February 21, 2024 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, March 5, 2024, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The revised agenda for March 5, 2024 meeting, and the minutes of the February 21, 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. 9117 through 9149 in the total amount of \$271,002.13; ACH payments in the total amount of \$3,712,370.84; Wire transfers in the total amount of \$1,342,817.47; and ACH payroll transactions in the total amount of \$235,663.79 for the payroll ending February 15, 2024.

The motion passed unanimously.

GENERAL MANAGER REPORT:

John Janney, District General Manager, in response to a previous request from PUD Commissioners, reported the Board meetings that were moved to Wednesdays following a Monday holiday will move back to Tuesdays.

Suzie Wrbelis, District Director of Human Resources, introduced Don Tucker, District Meter Reader, provided his background and reported that he started yesterday. The Board welcomed Mr. Tucker to the District.

Sarah Holderman, District Director of Customer Services, provided an update on the ReConnect Grant and the Broadband Equity Access and Deployment (BEAD) grant opportunities. We are waiting for more information on the BEAD grant and the ReConnect Notice of Funding was released in February and applications are due April 22. We will work with the Northwest Open Access Network (NoaNet) on the ReConnect application process. She reviewed a proposed project area and next steps. Discussion was held.

Mr. Janney reported staff was prepared to bring Cascade Digital Mining's Electric Service Agreement (ESA) to the Board today but Cascade came back with a number of changes to the proposed agreement. He reported that Cascade understands that delaying gives our Board only one meeting to review and approve the ESA before their current one expires. Cascade is willing to take the risk that they may not have an approved agreement on April 1. Discussion was held. He noted the Board has previously given staff direction regarding our large industrial load customers, and specifically that service to large industrial loads should not negatively impact our general service customers. Staff has done a good job in following that approach and is working with Cascade.

Ms. Holderman reported NoaNet is proposing an equalization of its member ownership percentages and she reviewed what our ownership percentage would be if approved. She is a NoaNet board member and Nik Reed, District Broadband System Network Administrator, is our member representative. There will be a vote by the NoaNet board members next week. If the NoaNet board approves to equalize membership percentages, then it goes for a member vote and we will come to our Board for their input and staff recommendation for Mr. Reed's vote. Discussion was held.

April Owen, District Director of Finance, reported we paid our 2023 Washington State privilege tax payment in the amount of \$1.2M. The tax is based on retail sales of power. The county receives a little over half of this amount.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reviewed the new Washington Department of Labor and Industries Rule process as it relates to ergonomics and the OSHA safety rules processes. Discussion was held.

CUSTOMER SPOTLIGHT:

Shannon Johnston, District Communications and Utility Services Coordinator, highlighted an 811 Call Before You Dig Art Contest article in the March Customer Connect newsletter. Winners will be announced in the April newsletter and information is posted on our website.

Commissioner Rick thanked Ms. Johnston for her work on the District's booth at the Washington Public Utility District's Association (WPUDA) PUD Day on the Hill event in February in Olympia.

ACTION ITEMS:

- Approval of McMillen, Inc. Task Order No. 2, Contract No. 21-018. Scott Jungblom, District Natural Resources Manager, reported this is an on-going contract and is for engineering support for the fish passage, Trout Habitat Restoration Program, and water quality attainment plan development for total dissolved gas and temperature. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and authorize the general manager to execute the task order. The motion passed unanimously.
- Bid Award – Surplus Property Fleet Asset #004, a 2013 Kubota KX121-3 Mini Excavator. Chris Jones, District Director of Operations, provided the details. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to award the bid to the highest bidder, as presented. The motion passed unanimously.
- Declaration of Surplus Property – Fleet Asset #012, a 2008 Yamaha Grizzly 700 4-Wheeler. Mr. Jones reported that per our Fleet Management policy we replaced one last year and are replacing this one this year. It is being sold with the tracks and will be sold via our sealed bid process. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and declare the 4-wheeler as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the

District's operations, and 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.

- Approval of Revised Utility Extension Fees Policy. Ms. Holderman reported the revised policy is a follow up to the public hearing. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the revised Utility Extension Fees Policy. The motion passed unanimously.
- Approval of WSPP Master Confirmation Agreement with Shell Energy. Ben Hall, District Energy Resources Manager, explained the WSPP and reported it allows for modification to the agreement terms. This Master Confirmation Agreement is used to support the District's ESA with Cascade Digital Mining. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and authorize the general manager to execute the WSPP agreement with Shell Energy. Discussion was held. The motion passed unanimously.
- Approval of Energy Transactions. Mr. Hall reported the declining market pricing lets us look at procuring resources over the spring and summer seasons. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the energy transactions as presented. The motion passed unanimously.
- Bid Award – Diamond Lake Building Water Line Extension. Philip Roice, District Engineering Manager, reported this is to install the water and fire lines to our pole building. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and award the bid to the apparent low bidder, Interstate Concrete & Asphalt in the total amount of \$136,972.32. The motion passed unanimously.

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 NoaNet membership dues. Ms. Holderman reported there are no membership dues. Ms. Koenig inquired about the benefit to the District. Ms. Holderman reported there are benefits and liabilities.

Ms. Koenig wants the District to hold the line regarding Cascade and is concerned that they are jerking the District around and that the guarantee amount has gone down. Mr. Hall reported the guarantee amount is \$1.5M. Ms. Koenig is concerned they may leave and heard they are moving machinery to other areas. Mr. Janney and Commissioner Onley thanked her for her feedback. Commissioner Rick thanked her for her comments and for representing our general service customers. Discussion was held.

Sonya Scaufaire, Selkirk Sun, inquired about customer calls for planned outages when a customer has multiple locations. Mr. Jones reported we can add a location area to our calls. She asked about advertising sources for planned outages. Discussion was held.

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

ACTION ITEMS (continued):

- Pend Oregle County Hazard Mitigation Plan Update: Approval of Planning Partner Letter of Intent. Mr. Janney reported we have participated in the past and are bringing it before the Board because it involves the District's commitment to the plan with the stakeholders. It overlaps with our wildfire mitigation plan and we can work simultaneously with the stakeholders. It commits us to dedicate resources (staff time). A motion was made by Commissioner Rick and seconded by Commissioner Knapp to authorize the general manager to execute a letter of

intent for participation. The Board thanked Mr. Janney for his efforts. The motion passed unanimously.

COMMISSION REPORT:

Commissioner Knapp attended virtual WPUDA bill tracking meetings on February 29 and provided his notes. He is attending Energy Northwest Corporate Nuclear Safety Review Board meetings this week in Tri-Cities and provided an overview.

Commissioner Rick attended a Tri-County Economic Development District meeting on February 28 in Colville and provided an overview.

Commissioner Onley attended a WPUDA American Public Power Association Legislative Rally on February 26 – 29 in Washington, D.C. and provided an overview.

COMMISSION BUSINESS:

Commissioner Rick will attend the virtual WPUDA meetings on March 13 – 15 and an Ione Town Council meeting tomorrow in Ione.

Commissioner Knapp will attend a virtual Pacific Northwest Utilities Conference Committee meeting on March 8, a virtual WPUDA Nominating Committee meeting on March 11, a virtual WPUDA Budget Committee meeting on March 12, and the virtual WPUDA meetings on March 13 - 15. He will meet with Tyler Whitney, Cable Huston, LLP, tonight or tomorrow in the Tri-Cities.

Commissioner Onley will attend the virtual WPUDA meetings on March 13 – 15.

Commissioner Onley reported the next meeting will be held on March 19 at 8:30 a.m., in Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 10:33 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form