

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
June 28, 2023
NEWPORT CONFERENCE ROOM, NEWPORT, WA
AND VIRTUAL VIA MICROSOFT TEAMS

SPECIAL BOARD MEETING

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

Staff Present: April Owen, Co-Interim General Manager
Sarah Holderman, Co-Interim General Manager
Kevin Conway, Director of Utility Services
Ben Hall, Energy Resources Manager, virtual
Suzie Wrbelis, Director of Human Resources, virtual
Karen Willner, Clerk of the Board

Others: Lanie Mycoff, Managing Director, Mycoff Fry Partners, LLC,
virtual
Tyler Whitney, Cable Huston, LLP, virtual
Steve Wood, CEO, Merkle Standard, virtual
Kirk Boxleitner, Newport Miner, virtual
Andrew Moratzka, Stoel Rives, LLP, virtual
Ben Richards, Member of the Public, virtual

The meeting was called to order at 11:00 a.m. by Curtis J. Knapp, President.

Commissioner Knapp announced a 45-minute executive session on pending and/or potential litigation will begin at 11:02 a.m., in the Rivervbend Conference Room and virtual via Microsoft Teams. 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 or to continue the meeting.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

Pursuant to notice given to the Newport Miner, a 45-minute executive session on pending and/or potential litigation commenced at 11:02 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, virtual; and Tyler Whitney, Cable Huston, LLP, virtual. The executive session adjourned at 11:45 a.m. and the Board returned to open session. No final action was taken during the executive session.

April Owen, District Co-Interim General Manager, reported that in Cascade's current contract there is a provision requiring Cascade to secure a qualified institution with an A+ or equivalent credit rating to issue or confirm their letter of credit. We are proposing that this amendment would offer an alternative option for a qualified institution with a lower A or A- credit rating, subject to conditions. We would need to negotiate this amendment with Cascade for their approval. Their current extension to secure a qualified letter of credit expires this Friday.

Steve Wood, CEO, Merkle Standard, asked for clarification. Ms. Owen reported this amendment gives them to July 31 to put a letter of credit with a qualified institution in place. Commissioner Onley noted this is a negotiation between us and Cascade to happen before June 30. Mr. Wood commented that he is happy to review the draft amendment with Cascade staff.

ACTION ITEM:

- Amendment or Limited Waiver to the Electric Service Agreement with Cascade Digital Mining, LLC. A motion was made by Commissioner Knapp and seconded by Commissioner Onley to give District staff the authority to negotiate and execute this amendment or limited waiver to the Electric Service Agreement with Cascade Digital Mining, LLC in substantially the same form as presented to the Board. The motion passed unanimously.

Commissioner Knapp announced a 40-minute executive session to evaluate the qualifications of applicants for public employment will begin at 11:57 a.m., in the Riverbend Conference Room and virtual via Microsoft Teams. 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 or to adjourn the meeting.

EXECUTIVE SESSION – EVALUATION OF QUALIFICATIONS OF APPLICANTS FOR PUBLIC EMPLOYMENT:

Pursuant to notice given to the Newport Miner, a 40-minute executive session to evaluate the qualifications of applicants for public employment commenced at 11:57 a.m. The following were in attendance: Board of Commissioners; Suzie Wrbelis, Director of Human Resources, virtual; Lanie Mycoff, Managing Director, Mycoff Fry Partners, LLC, virtual; and Tyler Whitney, Cable Huston, LLP, virtual. The executive session adjourned at 12:27 p.m. and the Board returned to open session. No final action was taken during the executive session.

Commissioner Knapp reported the next meeting will be held on Thursday, July 6, 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 12:28 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form