

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
September 6, 2023
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

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

Staff Present: April Owen, Co-Interim General Manager
Sarah Holderman, Co-Interim General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: Tyler Whitney, Cable Huston, LLP, virtual
Christopher McKey, Energy West, LLC, virtual
Laura Verity, Merkle Standard

The meeting was called to order at 8:30 a.m. by Curtis J. Knapp, President.

Commissioner Knapp announced a 60-minute executive session for pending and/or potential litigation will begin at 8:35 a.m. in the Riverbend Conference Room with Tyler Whitney, Cable Huston, LLP, attending virtually. 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 continue the meeting.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 60-minute executive session for pending and/or potential litigation commenced at 8:35 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; Tyler Whitney, Cable Huston, LLP, virtual; and Christopher McKey, Energy West, LLC, virtual. The executive session adjourned and the Board returned to open session at 9:30 a.m. No final action was taken during the executive session.

BOARD WORKSHOP:

Discussion was held regarding the District's phone system.

APPROVAL OF CONSENT AGENDA:

The minutes from the August 29, 2023 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, September 6, 2023, the Board, upon motion by Commissioner Onley and seconded by Commissioner Rick approved the following:

- The revised agenda for September 6, 2023 meeting, and the minutes of the August 29, 2023 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. 8499 through 8519 in the total amount of \$178,780.17;

ACH payments in the total amount of \$676,565.89; and Wire transfers in the total amount of \$26,265.41.
The motion passed unanimously.

Commissioner Onley thanked Sarah Holderman, District Co-Interim General Manager, for the Northwest Open Access Network/Klickitat County update.

GENERAL MANAGERS' UPDATE:

April Owen, District Co-Interim General Manager, provided a Bonneville Power Administration (BPA) study process update and reported that Cascade Digital indicated they did not want to move forward with the second phase of the study at this time. Discussion was held. Cascade can still choose to do the study but they would move to the end of BPA's queue.

Commissioner Onley thanked staff for their work on Employee Safety Day. Ms. Owen thanked staff for a great day.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, referenced an OSHA Suicide Prevention news article and reported OSHA named today Suicide Awareness Day. He reviewed the steps in preventing suicide and reported people can dial 988 for the Suicide Crisis Hotline.

Following a short recess, the meeting resumed.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

There was no business or comments from the public.

Commissioner Knapp thanked everyone for attending.

CUSTOMER SPOTLIGHT:

Amber Gifford, District Customer Service & Contracts Manager, provided a Neighbors in Need (NIN) Low-Income Assistance Program update and reported that year-to-date through August a total of \$16,000 was awarded to 66 customers. Our NIN account balance is approximately \$27,000.

She reported we are receiving additional BPA funds for energy efficiency and we will retroactively be resubmitting our energy rebates from last year. We will receive a 2-year energy efficiency budget from BPA in October.

COMMISSION REPORT:

The Board of Commissioners attended Employee Safety Day on August 31 at the Camas Wellness Center.

Commissioner Onley talked to Ben Richards, member of the public, regarding his concerns with Allrise/Cascade.

Commissioner Knapp thanked staff for their hard work on Employee Safety Day. He met with various staff yesterday in the Newport office, he spoke with Mr. Whitney and Suzie Wrbelis, District Director of Human Resources regarding general manager job applications. He attended a virtual Washington Public Utility Districts Association (WPUDA) Awards Committee meeting this morning. He spoke with George Caan, WPUDA Executive Director regarding membership benefits. He had a phone call from Kirk Boxleitner, Newport Miner, regarding a Board minutes clarification.

COMMISSION BUSINESS:

Commissioner Onley will attend a virtual Greater Newport Area Chamber of Commerce meeting tonight and thanked Ms. Willner and Ms. Holderman for providing our electric vehicle charging station statistics to him for tonight's meeting. He will attend a Columbia Generating Station Tour on September 13 and WPUDA meetings on September 13 – 15 in Richland and a Board meeting on September 19 in Newport.

Commissioner Rick will attend the WPUDA meetings on September 13 – 15 in Richland, a Board meeting on September 19 in Newport, and an Economic Development Council meeting on September 20 in Ione.

Commissioner Knapp will attend a virtual Public Power Council (PPC) Members Forum today, tentatively attend a virtual PPC meeting tomorrow, tentatively attend a virtual Pacific Northwest Utilities Conference Committee meeting on Friday. He will attend the WPUDA meetings on September 13 – 15 in Richland and a Board meeting on September 19 in Newport.

Ms. Holderman is working to schedule a ribbon cutting ceremony for the Metaline Falls Electric Vehicle Charging Station for next week and asked if Commissioner Rick is available to attend. Commissioner Rick responded that he is available to attend.

CASCADE DIGITAL MINING, LLC CONTRACT UPDATE:

Ms. Owen provided a Cascade contract overview and reported their contract has a term of 13 months and expires on September 30. Cascade's load capacity is 100 MW, which is three times our average County load and it is a diurnal load that can shift from light to heavy load.

Ben Hall, District Energy Resources Manager, reported their new contract negotiations kicked off in May. He provided a powerpoint presentation and reviewed the Cascade Electric Service Agreement (ESA) timeline and compared the current ESA versus the draft new ESA. He reported that we were originally targeting a 24-month term however, Cascade recently asked for a term of six months. There have also been recent changes to the capacity. Discussion was held. The Board thanked staff for their hard work and they thanked Cascade for working with the District.

Ms. Owen reviewed the non-negotiable contract key elements which include a letter of credit and pre-payment of all costs. She thanked Tyler Whitney, Cable Huston, LLP and Christopher McKey, Energy West, LLC for their time and effort in working through the contract. Discussion was held.

Mr. Whitney thanked Mr. Hall for working on the contract and he thanked the Board for their feedback.

Commissioner Knapp asked if there were any comments from the public and/or staff.

Laura Verity, Merkle Standard, thanked the Board and staff for their time working on the contract and she commented that they will continue to work on getting to the contract negotiation finish line. She expressed her appreciation of the District staff's work.

JULY FINANCIAL UPDATE:

John Bricher, District Finance Manager, provided a powerpoint presentation on July financial items. He reported the District had a strong financial performance, highlighting that our Fitch credit rating was upgraded to "A Stable". He reviewed customer statistics, line extensions, power supply market pricing, Box Canyon generation and capital expenditures. Discussion was held.

Commissioner Knapp thanked Mr. Bricher for his report.

Ms. Owen reported we are looking to install the proportional valve next week at Box Canyon. She reported the runoff from Lake Pend Oreille will occur in a couple of weeks. The Board thanked staff for a tour of the Box Canyon projects on August 29.

Commissioner Knapp noted the upcoming Board meeting schedule and inquired if any changes are needed. Discussion was held.

He reported Lanie Mycoff, Mycoff Fry Partners, LLC sent seven general manager job candidate applications to the Board and the application submittal deadline is September 22. He reported the District is in great hands with a great team. Discussion was held.

Following a short recess, the meeting resumed.

Commissioner Knapp announced a 15-minute executive session to evaluate the qualifications of applicants for public employment will begin at 11:10 a.m. in the Newport Conference 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/or the Board will rejoin the open session to adjourn the meeting.

He reported the next meeting is September 19, 2023, in the Newport Conference Room, Newport and via Microsoft Teams.

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

A 15-minute executive session to evaluate the qualifications of applicants for public employment commenced at 11:15 a.m. The following were in attendance: Board of Commissioners; and Suzie Wrbelis, Director of Human Resources, virtual. The executive session adjourned and the Board returned to open session at 11:30 a.m. No final action was taken during the executive session.

Commissioner Knapp reported the next meeting is September 19, 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 11:33 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form