

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
August 20, 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

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

BOARD WORKSHOP:

Discussion was held regarding our Pend Oreille County Fair booth, working with other staff, meeting Charles Johnson, District Campground Host at Box Canyon, and handing out Clean Energy Credits for Washington Families Grant Program information; a Washington State University seminar invite for September 11; and the approved Board meeting minutes posted to our website.

APPROVAL OF CONSENT AGENDA:

The minutes from the August 6, 2024 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, August 20, 2024, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The revised agenda for August 20, 2024 meeting, and the minutes of the August 6, 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. 9582 through 9632 in the total amount of \$152,346.30; ACH payments in the total amount of \$3,876,973.97; Wire transfers in the total amount of \$310,863.35; and ACH payroll transactions in the total amount of \$299,348.65 for the payroll ending July 31, 2024.

The motion passed unanimously.

GENERAL MANAGER REPORT:

John Janney, District General Manager, reported staff continues to work on our Strategic Plan and our 10-year Financial Forecast and Rate Study will be presented to the Board and public next month.

He reported our newly-hired Public Information Officer starts on Monday and it is good timing with a number of items coming up.

He reported the Safety Management Group consultant provided us with a plan to address our safety gaps that were identified in their Safety Gap Analysis Results report. All Employee Safety Gap Results meetings were held last week and staff is ready to move this process along. We will have more discussions as our Strategic Plan rolls out.

Commissioner Onley inquired if we will do a local social media broadcast regarding our Wildfire Mitigation Plan. Mr. Janney reported we are required to conduct some form of stakeholder engagement as we develop our new plan prior to submitting it to the Washington State Department of Natural Resources in October. We would like to engage key stakeholders, get their input and make sure we're all on the same page when we need to coordinate on wildfire incidents. We will have at least two public Board meetings to discuss and review our plan. Discussion was held regarding generator and preemptive power shutoff pros and cons.

MANAGEMENT REPORT:

Ben Hall, Energy Resources Manager:

He provided an update on items related to the current Bonneville Power Administration (BPA) power contract. He reported that we have recently completed the annual net requirements process with BPA, which determines the block of Tier 1 power the District will receive for the period of October 2024 through September 2025. While the numbers are still preliminary, it appears that the District will receive a Tier 1 block of just over 11MW, similar to the amount received in the current fiscal year. Additionally, District staff and BPA have been working through the process of establishing the maximum amount of power that may be available to the District during the final three years of the BPA contract. Discussion was held. Mr. Janney commended Mr. Hall for staying on top of this and keeping everyone informed. Commissioner Onley commended Mr. Hall on his BPA Overview and Provider of Choice presentation at the August 6 meeting.

Mr. Hall provided an update on staff efforts related to the current and future Electric Service Agreement for Cascade Digital Mining, LLC. He reported that several entities are engaged in this process, including the District's Balancing Authority.

He reported that on June 18 staff asked the Board for its approval in consigning our carbon allowances to auction under the Climate Commitment Act (CCA). The auction is scheduled for September 4 and we were successful in getting all our carbon credits in the auction. The District will receive any proceeds resulting from the auction in early October.

Shannon Johnston, Customer Service Supervisor:

She highlighted and shared pictures of staff participation for our Pend Oreille County Fair booth last week. She reported there was a great turnout, she commended staff, and noted the photo booth was a huge hit.

She reported Riley Bauer, District Telecommunications Technician, attended a National Night Out on August 6 at the Fire Department in Newport. The event was organized to bring our community together and to raise awareness in our community. She reported it was a good turnout and Mr. Bauer provided handouts and information to the public. She commended Mr. Bauer for his participation. Discussion was held.

John Bricher, Finance Manager:

He provided an audit update and reported our State Accountability Audit kicked off on June 3. We are going into the review stage and the next step will be scheduling an exit conference.

He reported the Clean Energy Transformation Act Audit has been going on since August 2023. A pre-exit meeting is scheduled with the State Auditor's office next week. Discussion was held regarding TBD exit conferences with the Board.

Chris Jones, Director of Operations:

He reported the Diamond Lake Substation pole building has its occupancy permit which was received a few months ago. We are using the building and the outside storage and

bays are full and we are storing meters inside the building. The building is not insulated to use for offices and is only being used for storage.

Stacie Maier, Director of Utility Services:

She is getting up to speed on projects and is visiting District facilities. Commissioner Onley welcomed her and commented that it is great to have her onboard.

ACTION ITEMS:

- Bid Award - Surplus Property Approximately 34 Wooden Utility Power Poles. Ms. Willner reported no sealed bids were received but after the deadline expired she received interest from a member of the public. Mr. Jones reported if the poles aren't sold we have them removed which costs money. Ms. Willner inquired if the Board wanted to advertise for another two weeks. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to advertise the surplus poles for sale via our sealed bid process for two more weeks. The motion passed unanimously.
- Approval of Physical Access Control System Project, Contract No. 24-042. Bob Pebles, District Information Technology Manager/CIP Senior Manager, reported this is a project in the IT department and Frank Pisano, District Network Supervisor, is the Project Lead. Mr. Pisano reported we are having a hard time finding replacement parts for our existing door badging control system and the current manufacturer is no longer providing support. This contract is to replace the control system with new parts making our system more secure. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the Physical Access Control System Project, Contract No. 24-042 with Security Solutions Northwest, LLC in the estimated amount of \$159,336.76. The motion passed unanimously.
- Approval of Northwest Open Access Network (NoaNet) Letter of Support. Mr. Janney reported this request for support letters arrived yesterday to all the Broadband Equity Access and Deployment Grant Consortium Team members with a deadline of 3:00 p.m. today. He explained it is a USDA Broadband Technical Assistance Grant application and would allow NoaNet to get up to \$500,000 to get new training materials and fund a scholarship program. Since we are NoaNet members he would like us to support NoaNet. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and authorize the general manager to send a support letter to NoaNet in substantially the same format as the template letter that was provided by NoaNet. The motion passed unanimously.

COMMISSION REPORT:

Commissioner Knapp participated in the District's Pend Oreille County Fair booth, and attended the Public Power Council and Pacific Northwest Utilities Conference Committee meetings on August 7 - 9 in Portland and provided an overview. Discussion was held.

Commissioner Rick participated in the District's Pend Oreille County Fair booth and reported he continues to get asked if power is available for any businesses that want to come to our county. Discussion was held. Mr. Janney reported our Integrated Resource Plan will address this question.

Commissioner Onley participated in the District's Pend Oreille County Fair booth and reported he had fun working with Ms. Owen. He had a weekly telephone call with Mr. Janney yesterday. He had conversations with customers regarding a retail service provider that has had several fiber outages and the customers are not happy and want to change their provider. Discussion was held.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for September. Discussion was held regarding the Washington Public Utility Districts Association Water Workshop on September 25 – 27 in Spokane and Board travel arrangements. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to pre-approve the Commissioner’s travel or meeting attendance for September as presented. The motion passed unanimously.

Mr. Hall reported that there will be an initiative on the ballot in November that, if passed, would repeal the CCA. He explained the Act and our carbon credit allocation. Discussion was held.

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 Cascade’s power load amount per their contract and if the District has enough available resources if Cascade starts up the paper mill. She also inquired as to whether BPA’s Feasibility Study addresses Cascade having both computing and paper mill loads. Mr. Hall reported that mixing of these two loads remains an ongoing conversation. He provided an overview of what BPA has approved for loads at the site, and how the District sources energy for Large Industrial customers. Discussion was held.

Commissioner Onley announced a 1 hour and 30-minute executive session to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, to begin at 10:15 a.m. in the Riverbend 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.

He announced that following the first executive session the Board will go into an executive session to review the performance of a public employee. 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 or adjourn the meeting. He reported the next meeting will be held on September 3 at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams.

EXECUTIVE SESSION – TO CONSIDER THE SELECTION OF A SITE OR THE ACQUISITION OF REAL ESTATE BY LEASE OR PURCHASE WHEN PUBLIC KNOWLEDGE REGARDING SUCH CONSIDERATION WOULD CAUSE A LIKELIHOOD OF INCREASED PRICE:

A 1 hour and 30-minute executive session to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price commenced at 10:15 a.m. The following were in attendance: Board of Commissioners; John Janney, General Manager; April Owen, Director of Finance; Bryant Kramer, Director of Power Production; and Ben Hall, Energy Resources Manager. The executive session ended at 11:15 a.m. No final action was taken during the executive session. The Board went into an executive session to review the performance of a public employee at 11:17 a.m.

EXECUTIVE SESSION – REVIEW OF PERFORMANCE OF A PUBLIC EMPLOYEE:

A 30-minute executive session to review the performance of a public employee commenced at 11:17 a.m. The following were in attendance: Board of Commissioners and John Janney, General Manager. The executive session ended at 11:45 a.m. and the Board returned to open session. No final action was taken during the executive session.

Commissioner Onley reported the next meeting is scheduled for September 3, 2024, starting at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams. He asked if there was any further business for the good of the order. He adjourned the meeting at 11:46 a.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form