

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
July 2, 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  
Troy Moody, Member of the Public

The meeting was called to order at 8:30 a.m. by Joseph B. Onley, President. He reported that due to technical difficulties the meeting will continue in a few minutes.

BOARD WORKSHOP:

Discussion was held regarding a conversation with a returning customer to the county, an update on the shop phase conductor, and communication travelers on our poles in the north county. Chris Jones, District Director of Operations, reported RTI is doing work in the area and we need to wait until that work is done and then we can remove the travelers.

Commissioner Knapp reported he saw the crews working on the OPGW project yesterday near his house but they kept getting delayed due to the weather conditions.

APPROVAL OF CONSENT AGENDA:

The minutes from the June 18, 2024 meeting, today's agenda, and the vouchers were reviewed.

As of this date, July 2, 2024, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The agenda for July 2, 2024 meeting, and the minutes of the June 18, 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. 9468 through 9500 in the total amount of \$311,343.71; ACH payments in the total amount of \$2,499,679.70; Wire transfers in the total amount of \$3,441,620.66; and ACH payroll transactions in the total amount of \$269,157.69 for the payroll ending June 15, 2024.

The motion passed unanimously.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported the temperatures will be getting warmer in the coming days and he reviewed the heat index and acclimatization period process and procedures when working outside during a declared heat wave. This came into effect last year and applies to the time from May 30 through the end of September. Discussion was held. Mr. Wiltse emailed the rules to senior management to relay to their staff.

CUSTOMER SPOTLIGHT:

Shannon Johnston, District Customer Service Supervisor, reported the new office hours are in effect. She distributed a printout of the new hours which are being given to customers, advertised in our July Customer Connect newsletter, and posted on our website.

She reported we have loaner life jackets at the Oldtown Boat Launch and Campbell Pond at Box Canyon.

Discussion was held regarding the new hours as they relate to holidays.

GENERAL MANAGER REPORT:

John Janney, District General Manager, reported he will go into the Strategic Planning/Tentative Timeline topic.

UPDATES ON STRATEGIC PLANNING/TENTATIVE TIMELINE:

Mr. Janney shared news articles related to Washington State implementing and adopting California's rules for Zero Emissions Vehicles and Clean Fuel Standard, including a recent announcement from the Governor of Virginia that Virginia had opted to reverse course on their previous decision to adopt California's rules. He reported the Supreme Court recently ended the Chevron deference – a doctrine of judicial deference given to administrative action. While it's still early, this ruling could be a means to assist PUD's in retaining local control to better serve our customers.

He provided a Strategic Planning Update presentation and reported our current plan was intended to cover the period from 2021 – 2025. A lot has changed since the current plan was adopted – including a long-term sale of Box Canyon output to Clark County PUD. We need to update our plan to make it a longer term to bridge the periods of upcoming known changes. He reviewed the initial focus area which includes a 10-year financial forecast and rate study intended to capture our best estimates of what we'll need to operate our PUD reliably, safely and cost effectively over the coming years. Once the plan is adopted, our goal will be to provide quarterly status updates to the Board to measure our progress and anticipate our future needs.

He reviewed our projected net load and resource position after 2029, when the terms of our existing settlement with Seattle City Light on our allocation of Boundary Dam expire, including a projected need for additional energy resources to meet loads under certain scenarios. Discussion was held.

He reviewed the Strategic Planning tentative timeline and process and key elements to develop a long-term 10-year plan. 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.

Troy Moody, member of the public, noted a blockage and no public access in the river off the south end of the Kalispel Tribe of Indians Reservation and inquired if the blockage was permitted. Mr. Janney reported we can look into it due to our Federal Energy Regulatory Commission License but he referred Mr. Moody to talk with the Tribe.

Gretchen Koenig, member of the public, inquired about new generation for the District. Mr. Janney explained that we have an opportunity to possibly buy, build, or contract generation. She inquired if we can get it from the river and noted the modular and nuclear reactors. Mr. Janney reported there is a whole mix and Energy Northwest is evaluating small module nuclear reactors. We have the ability to partner with others if it is cost-effective and if we have a need.

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

UPDATES ON STRATEGIC PLANNING/TENTATIVE TIMELINE (continued):

Mr. Janney continued his presentation and reviewed some of the key elements which included workforce, wildfire mitigation, and safety program gap analysis. He provided a tentative timeline for 2024 and 2025. He reported our 90<sup>th</sup> Anniversary is in 2026 and suggested things we can do to get the community involved in the event.

He invited questions. The Board thanked him for his vision, thinking about the future and not being caught off guard, and for his work and information. Mr. Moody liked the idea of a 90-year celebration concept and involving local schools by having teachers present it to the students. He inquired if there is change or discussion among the Washington State PUD's to get together and start pushing back against the upcoming regulations. Mr. Janney reported we belong to a number of associations and will leverage those groups as much as we can.

ACTION ITEMS:

- Declaration of Surplus Property Fleet Asset #151, a 2008 Ford F150. Mr. Jones provided the details. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and declare the vehicle 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. It will be sold through our sealed bid process. The motion passed unanimously. Staff will proceed as appropriate. The motion passed unanimously.
- Approval of Resolution No. 1486 – Reimbursement of Travel Expenses for Job Candidate. Mr. Janney reported we invited a candidate for the Public Information Officer job position to come onsite for further interview and discussion. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve and adopt the resolution. The motion passed unanimously.
- Approval of Revised Appointment of Acting General Manager Policy. Mr. Janney reported this is the start of our effort to review our policies once a year. We are implementing an annual review process and will be bringing a couple policies each month to the Board. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the revised policy. Discussion was held. The motion passed unanimously.
- Approval of Revised Community Network System Policy and Fees. Sarah Holderman, District Director of Customer Services, reported these three policies include updating our new office hours and our pay by phone number, and adding a billing adjustment section. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the revised policy. The motion passed unanimously.
- Approval of Revised Electrical Service, Rates and Credit Policy. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the revised policy. The motion passed unanimously.
- Approval of Revised Water Service, Rates and Credit Policy. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the revised policy. The motion passed unanimously.
- Approval of WSPP Trading Confirmation. Ben Hall, District Energy Resources Manager, reported WSPP is a standard agreement and at times we make changes to the agreement. This one is with Tenaska Power Services to use in Cascade

Digital Mining's market power purchases and also for our general service load power needs and it enables us to do trades. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and authorize the general manager to execute the WSPP Trading Confirmation in substantially the same format as presented. The motion passed unanimously.

- Approval of Procurement of Distribution Crossarms, Contract No. 24-025. Philip Roice, District Engineering Manager, reported this contract is for the under-build distribution crossarms for the transmission poles from the Diamond Lake Substation to the Bare Mountain Substation. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the contract to Sabre Industries, Inc., as the sole manufacturer and seller of the crossarms for their pole, in the estimated amount of \$357,264 before taxes. The motion passed unanimously.

#### COMMISSION REPORT:

Commissioner Rick attended a Tri-County Economic Development District meeting on June 26 in Colville and provided an overview. He attended an Economic Development Advisory Committee meeting on June 27 at the Camas Wellness Center and provided an overview. He attended a Candidate Townhall meeting on June 29 in Metaline Falls and provided an overview.

Commissioner Knapp attended a virtual Energy Northwest Resource Task Force meeting on June 19 and provided an overview. He and Commissioner Onley participated in the Newport Rodeo Parade on June 22 and he thanked District staff for participating and for their help in organizing. He attended a virtual Public Power Council Forum of Utility Elected Leaders meeting on June 24. He attended Energy Northwest meetings on June 27 - 28 in Vancouver and provided an overview.

Commissioner Onley sent an email to the State Auditors Office on June 18 to waive our physical entrance conference for our 2022 – 2023 State Audit. He attended a virtual Washington Public Utility Districts Association Water Committee meeting on June 27 and reported Bryant Kramer, District Director of Power Production, briefly joined virtually and he provided an overview. He was contacted by a customer regarding a locate concern. Ms. Holderman reported the customer service representatives have had conversations with the customer.

#### COMMISSION BUSINESS:

Commissioner Knapp will attend an Energy Northwest Columbia Nuclear Safety Review Board meeting and plant tour on July 8 – 11 in the Tri-Cities and the Board meeting on July 16 in Newport.

Commissioner Rick will attend a Metaline Town Council meeting on July 10 in Metaline and the Board meeting on July 16 in Newport.

Commissioner Onley will attend a virtual Greater Newport Area Chamber of Commerce meeting on July 10 and the Board meeting on July 16 in Newport.

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 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 the meeting. He reported the next meeting will be held on July 16 at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams.

#### 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 ended at 12:00 p.m. and the Board returned to open session. No final action was taken during the executive session.

Commissioner Onley reported the next meeting will be held on July 16 at 8:30 a.m., in the Newport Conference Room, Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 12:01 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form