

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
September 17, 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

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

BOARD WORKSHOP:

Discussion was held regarding customer meter read thank you notes that were mailed, a customer line extension report related to electric vehicle charging, meter reads, and that we currently do not have any employees that are certified to spray weeds.

APPROVAL OF CONSENT AGENDA:

The minutes from the September 3, 2024 meeting, today's agenda, and the vouchers were reviewed.

As of this date, September 17, 2024, the Board, upon motion by Commissioner Rick and seconded by Commissioner Knapp approved the following:

- The agenda for September 17, 2024 meeting, and the minutes of the September 3, 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. 9682 through 9723 in the total amount of \$170,611.27; ACH payments in the total amount of \$1,186,605.73; Wire transfers in the total amount of \$246,110.57; and ACH payroll transactions in the total amount of \$286,178.62 for the payroll ending August 31, 2024.

The motion passed unanimously.

GENERAL MANAGER REPORT:

John Janney, District General Manager, reported the September 23 Special Board meeting is for FCS Consulting to present our 10-Year Financial Forecast and Electricity Rate Study and he provided an overview of upcoming projects that will impact our financials and budget. No action will be taken and it will be an initial launch for our Strategic Plan. He thanked Joe Hathaway, District Public Information Officer, for helping him create a news article for the local newspapers that will run this week.

NON-UNION COMPENSATION PLAN REVIEW PRESENTATION:

Suzie Wrbelis, District Director of Human Resources, provided a Non-Union Compensation Plan Review and reported that Intandem, LLC conducted the compensation study on salary structure and job descriptions and worked with District staff on gathering data. She reviewed the proposed salary matrix. Discussion was held.

Commissioner Onley thanked Ms. Wrbelis for her presentation. She reported the consultant recommended that we should do this compensation plan review annually.

ACTION ITEMS:

- Approval of Bid Award - Surplus Property Approximately 34 Wooden Utility Power Poles. Ms. Willner reported two sealed bids were received and provided a bid tabulation summary. Discussion was held. Chris Jones, District Director of Operations, provided a review of our Surplus Property Policy. 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.
- Approval of Revised Electric Service, Rates and Credit Policy and Revised Water Service, Rates and Credit Policy. Sarah Holderman, District Director of Customer Services, reported the revisions are due to our Clean Energy Transformation Act Audit which indicated that we are using an incorrect low-income level for the energy assistance programs. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the revised policies. The motion passed unanimously.
- Approval of Meter Replacement Project Public Works Contract. Ms. Holderman reported this item and the next one are related and staff is proposing to move some 2025 planned expenditures to 2024. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the contract. The motion passed unanimously.
- Approval of Unbudgeted Request for Meter Replacement Project. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the unbudgeted request. The motion passed unanimously.
- Approval of Resolution No. 1488 Non-Union Salary Administration Matrix. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve the resolution. The motion passed unanimously.
- Approval of 2024 Resource Plan. Ben Hall, District Energy Resources Manager, reported we are required to submit our plan every two years to the Department of Commerce and we need Board approval before we can submit our plan. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the plan. The motion passed unanimously.
- Approval of Shell Agreement Rebalance. Mr. Hall provided a presentation on our Shell Contract timeline and history, and compared long versus short resources. Staff is proposing to rebalance our Shell Agreement sales and purchases to better align resources to our load and reduce exposure during both long and short months. This mitigates the risk of seasonal price dynamics. He explained the proposed cash flow changes. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve the Shell Agreement Rebalance. The motion passed unanimously.

MANAGEMENT REPORT:

April Owen, Director of Finance:

She reported Angie Hall, District Regulatory Compliance Analyst is heading up our team and created this presentation but is unable to present today. She provided our Hazard Mitigation Plan and explained the county's process and documents and reviewed our Hazard Risks Ranking. Commissioner Onley thanked Ms. Owen for the presentation.

Ms. Owen provided an Internal Controls presentation and provided background information on the Town of Cusick's fraud situation. She explained the importance of having internal audit controls, including segregation of duties so no one is solely in

control. She provided and explained a check example. Discussion was held. Mr. Janney reported we are investigating the use of a third-party tip line for employees to report suspected fraud anonymously. Commissioner Onley thanked Ms. Owen for her presentation and for having these internal controls in place.

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 if our Shell Agreement ends in 2025 will we be renegotiating the agreement with Shell. Mr. Hall doesn't have any indication that we will need to renegotiate or extend the agreement. She inquired if Allrise is still here would we still have resources available. Mr. Hall reported that we would. She inquired about Cascade Digital Mining's Electric Service Agreement status. Mr. Hall reported we are waiting on their signature and all the ground work has been laid. She noted the limits for PFAS and inquired if we have any water systems impact. Mr. Janney reported that we shouldn't be impacted.

Following a short recess, the meeting resumed.

MANAGEMENT REPORT (continued):

Suzie Wrbelis, Director of Human Resources:

She introduced Katie Pfitzer, District HR Generalist and reported that she started at the District on September 9. Commissioner Onley welcomed her to the District. She provided her background and commented that she is happy to be here.

Sarah Holderman, Director of Customer Services:

She provided a Clean Energy Grants Update presentation and reported we awarded a total of \$389,800 in grants to 1,949 customers. Discussion was held.

She showed the customer submitted meter reads thank you card and reported we received over 200 customer submitted reads and they received thank you cards in the mail.

She reported we are doing a Broadband Survey to gather information for the Broadband, Equity, Access, and Deployment (BEAD) Program grant. Information is being given to customers in the lobby and the information is posted on our website, on customer bills, newsletters, and newspapers. The survey closes October 15 and as of yesterday, we received 184 responses and our goal is to get 300 responses.

She provided a Northwest Open Access Network update and reported they had five construction projects that went out to bid. They had concerns regarding the location and rough terrain heading into their Request for Proposal (RFP) but all five bid awards were less than the RFP estimate and they received approximately 10 bids. Discussion was held.

Mr. Janney reported there is a BEAD Grant meeting today.

John Bricher, Finance Manager:

He received word from the State Auditor's Office that they have concluded our Accountability Audit and we are tentatively scheduled for an exit conference tomorrow.

Amber Gifford, Communications & Contracts Administrator:

She provided highlights of our Employee Safety Day held last week. She thanked Frank Pisano, District Network Supervisor, for emceeding the event and doing a great job. She gave kudos to all the speakers, Adam Wiltse, District Safety Manager, and the Safety Steering Committee for engaging staff in games. She highlighted the safety game winners, and the Employee Service Awards and Employee Core Value Awards. She

thanked employees for their support and helping with the set up. Commissioner Onley reported it was a great time with staff.

Joe Hathaway, Public Information Officer:

Mr. Janney reported Mr. Hathaway arrived at the right time to provide stakeholder involvement and commended him for helping us to create an outreach plan.

Mr. Hathaway reported October 31 is the deadline for submitting our Wildfire Mitigation Plan to the state and he provided a presentation on our Community Outreach Plan to our stakeholders. He reported the purpose of our outreach plan is to inform, educate, engage, and assure our stakeholders and the community. He reviewed our communication channels for internal and public communication and stakeholder engagement, key messages for our plan overview, community safety and call to action. He provided a timeline of key events – presented our plan today, in late September will do internal and external outreach, in mid/late October will post updates on our website, and outline future public meetings in February/March 2025. He explained the ways for public and stakeholder engagement. Commissioner Onley thanked Mr. Hathaway for his presentation. Discussion was held.

Chris Jones, Director of Operations:

He reported we are short a few linemen and the Board had approved hiring a couple Temporary Linemen positions. IBEW has extended the Temporary Linemen positions through the end of February. Discussion was held.

Ben Hall, Energy Resources Manager:

He reported the Cascade Digital Mining, LLC Electric Service Agreement (ESA) was approved by the Board at the last meeting. Cascade wants to get 50MW of power and the ESA is waiting for their signature. We kicked off the daily product under their current ESA and the process is up and running.

He reported the Climate Commitment Act Auction was held on September 4 and we received the results last week. We will receive \$3.2M in proceeds on October 2. Discussion was held.

He provided an initial presentation on our Integrated Resource Plan (IRP) regarding the external requirements and planning process. He reported the real value in the IRP is for our long-term strategy, resources, and success. The Board thanked Mr. Hall for his presentation.

Scott Jungblom, Natural Resources Manager:

He provided an update on the entrance gate repairs for the fish ladder and reported we were waiting for the manufacturer to make the new gates which are now ready and ready for shipment. We should receive them next week and then we will go out to bid for the gate install.

He reported we had a Federal Energy Regulatory Commission Environmental Compliance Inspection for the powerhouse, fish ladder, recreation sites, and resource plan projects at the end of August. The preliminary results found nothing substantial and we are waiting on the final results. Discussion was held.

COMMISSION REPORT:

Commissioner Rick attended a Metaline Falls Town Council meeting on September 10 in Metaline Falls and provided an overview. He attended a Pend Oreille County Representatives Workshop on September 11 in Ione and provided an overview. He noted a Veterans Recognition Event on October 4 at the Kalispel Tribe of Indians Camas Wellness Center.

Commissioner Knapp attended Employee Safety Day on September 10 at the Camas Wellness Center and a virtual Washington Public Utility Districts Association (WPUDA) Budget Committee meeting on September 11. He had a few phone calls regarding hunting and the Bonneville Power Administration Feasibility Study for Cascade.

Commissioner Onley attended Employee Safety Day on September 10 at the Camas Wellness Center and thanked staff for a great day. He attended a virtual Greater Newport Area Chamber of Commerce meeting on September 10, the Pend Oreille County Representatives Workshop on September 11 in Ione and reported that Mr. Janney and Mr. Hathaway also attended and he provided an overview. He met with Stacie Maier, District Director of Utility Services, on Friday and reported it was a great meeting. He had his weekly Monday call with Mr. Janney and reported the calls are helpful.

COMMISSION BUSINESS:

- Pre-Approval of Commissioner Travel or Meeting Attendance for October. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to pre-approve the Commissioner’s travel or meeting attendance for October as presented. The motion passed unanimously.

Commissioner Knapp will attend the WPUDA meetings on September 18 – 20 in Wenatchee, a virtual State Auditor’s Office Audit Exit Conference tomorrow, the Special Board meeting on September 23 virtually, and the Board meeting on October 1 in Newport. He noted the American Public Power Association Legislative Rally on February 24 - 26 in Washington, D.C. and encouraged Commissioner Rick to attend.

Commissioner Rick will attend the WPUDA meetings on September 18 – 20 virtually, a Candidates Forum on September 18 in Newport, the Special Board meeting on September 23 in Newport, a Tri-County Economic Development District meeting on September 25 in Colville, and the Board meeting on October 1 in Newport.

Commissioner Onley will attend the Candidates Forum on September 18 in Newport, the WPUDA meetings on September 19 – 20 in Wenatchee, the Special Board meeting on September 23 virtually, and the Board meeting on October 1 in Newport.

Commissioner Onley asked if there was any further business for the good of the order.

Mr. Janney would like the Commissioners to meet individually with Mr. Hathaway and Stacie Maier, District Director of Utility Services. Ms. Willner will schedule.

He reported the next meeting is a Special meeting scheduled for September 23, 2024, starting at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams. He adjourned the meeting at 11:13 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form