

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
September 3, 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: Laura Verity, Merkle Standard

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

BOARD WORKSHOP:

Discussion was held regarding a customer line extension thank you, a Fire District #2 thank you for the future addition of orange balls on the OPGW line, and the Deer Valley Substation Transformer protective device circuit breaker.

APPROVAL OF CONSENT AGENDA:

The minutes from the August 20, 2024 meeting, today's revised agenda, and the vouchers were reviewed.

As of this date, September 3, 2024, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Rick approved the following:

- The revised agenda for September 3, 2024 meeting, and the minutes of the August 20, 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. 9633 through 9681 in the total amount of \$39,208.12; ACH payments in the total amount of \$157,602.90; Wire transfers in the total amount of \$526,835.57; and ACH payroll transactions in the total amount of \$280,114.76 for the payroll ending August 15, 2024.

The motion passed unanimously.

SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager, reported we received the Safety Gap Analysis Report Results and we have identified small work groups to work with Safety Management Group (SMG) on implementing the next steps. Our Safety Steering Committee Plus is working on ways to improve District safety reporting and documentation.

He reported we had an incident where an employee got hurt and is recovering. He is working on the root cause analysis and inspections are occurring. IBEW sent inspectors to investigate the incident and Labor and Industries will come in next week to inspect.

John Janney, District General Manager, explained that in some utilities getting employees to embrace a safety culture can be a challenge. He reported that this is a top priority and we are bringing in SMG to assist with writing safety policies and procedures. We want to

encourage employees to take ownership in this process to help us develop an effective and efficient program that works for everybody. Commissioner Rick stressed to employees the importance of making safety the highest priority for our employees, customers, and the public.

CUSTOMER SPOTLIGHT:

Shannon Johnston, District Customer Service Supervisor, reported we extended our Sizzling Summer Sign Up promotion. Customers who sign up for SmartHub, Auto Pay, E-Newsletter, Paperless, and/or Operation Round Up by September 22 will be entered to win an Amazon Fire Tablet. We have two tablets to give away and the drawing will be held at the end of September. Information is on our website, on flyers at our locations, in the Customer Connect newsletter, and in the Newport Miner and Selkirk Sun newspapers. Customers who are already signed up will also be entered in the drawing.

Commissioner Onley inquired if we are thanking those customers that we asked to submit manual meter reads. Ms. Johnston reported we are thanking our customers for submitting their meter reads. Discussion was held regarding the new AMI meters.

GENERAL MANAGER REPORT:

Mr. Janney introduced Joe Hathaway, District Public Information Officer. He reported he started on August 26 and provided his background. Mr. Hathaway commented that he's glad to work here and wants to establish a robust public communications program.

Mr. Janney noted our Strategic Plan kickoff items and reported that staff is working on them and will pull them all together in our 10-Year Financial Forecast and Electric Rate Study. Discussion was held regarding special meetings.

He reported Sarah Holderman, District Director of Customer Services, will give a presentation on our cash holdings.

Ms. Holderman provided an update on our cash holdings and reported we have an opportunity to enhance returns on our cash. She reviewed our Local Government Investment Pool (LGIP) historical returns, our cash balances at various banks, our Investment Policy, and compared a Separately Managed Accounts (SMA) program offered by the State Treasurer to the LGIP. She explained the next steps. Discussion was held.

ACTION ITEMS:

- Approval of Revised Contracting and Purchasing Authority Policy. April Owen, District Director of Finance, reported Amber Gifford, District Communications and Contracts Administrator, presented potential changes to this policy in June resulting from Washington State legislative action. We will move our contracting platform from Procureware to MRSC Bonfire. She reviewed changes to the contracting and approval levels. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve revised Contracting and Purchasing Authority Policy. The motion passed unanimously.
- Pre-Approval of Warehouse, Water, and Line Crew Trucks Purchase. Mr. Janney reported we are looking at our Fleet Management Policy regarding vehicle replacement and recommended approving these truck purchases because they are needed and we need to think about our long-term planning. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to pre-approve the Warehouse, Water, and Line Crew trucks purchase. The motion passed unanimously.
- Approval of Interlocal Agreements with Washington Department of Fish and Wildlife, Contract No. 24-25682. Scott Jungblom, District Natural Resources Manager, reported this new contract is to cover our work under the Trout, Habitat, and Restoration Program for 2024 – 2025. A motion was made by Commissioner

Rick and seconded by Commissioner Knapp to approve the interlocal agreements. The motion passed unanimously.

- Approval of Revised Cascade Digital Mining, LLC's Electric Service Agreement. Ben Hall, District Energy Resources Manager, provided an overview of the general agreement terms, including a 12-month term and 60 MW maximum load capacity. It would be effective October 1, 2024 and includes the recent amendment for flexibility for daily purchases. The letter of credit for performance assurance amount is currently at \$1.3M and will go to \$3.945M. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Knapp to approve and authorize the general manager to execute the revised agreement in substantially the same form as presented. The motion passed unanimously.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Commissioner Rick thanked Laura Verity, Merkle Standard, for her presentations regarding grant work during the Economic Development Advisory Committee (EDAC) meetings. He reported her presentations are well thought out and she does a professional job. Ms. Verity thanked Commissioner Rick for his comments.

Commissioner Onley thanked the public for attending.

Following a short recess, the meeting resumed.

ACTION ITEMS (continued):

- Approval of WSPP (Western Systems Power Pool) Trading Confirmation. Mr. Hall provided an overview of the WSPP Master Agreement and Trading Confirmation with Shell Energy. The Confirmation is to procure market power under the proposed electric service agreement with Cascade Digital Mining, LLC. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve and authorize the general manager to execute the updated WSPP Trading Confirmation in substantially the same form as presented. The motion passed unanimously.
- Approval of Bid Award for Bare Mountain Power Transformer, Contract No. 24-031. Stacie Maier, District Director of Utility Services, reported we received eight bids and Whitefish Energy Holdings, LLC was the apparent low bidder with a total cost of \$1,186,174.37. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Rick to approve and authorize the general manager to execute the contract. The motion passed unanimously.

COMMISSION REPORT:

Commissioner Knapp attended an Energy Northwest Annual Workshop and Strategic Planning on August 21 – 23 in Union, Washington and provided an overview. He spoke with customers regarding District matters and current national events.

Commissioner Rick attended an EDAC meeting on August 21 in Newport. He thanked Ms. Verity for her presentations and provided an overview. He attended a Tri-County Economic Development District meeting on August 28 in Colville and provided an overview.

Commissioner Onley attended a Greater Newport Area Chamber of Commerce meeting on August 26 in Newport and provided an overview.

COMMISSION BUSINESS:

Commissioner Rick will attend Employee Safety Day on September 10 at the Camas Wellness Center in Cusick, a Metaline Falls Town Council meeting on September 10 in Metaline Falls, and a Pend Oreille County Representatives Workshop on September 11 in Ione.

Commissioner Knapp will tentatively attend a virtual Public Power Council meeting on September 4 – 5 and will attend the Employee Safety Day on September 10 in Cusick.

Commissioner Onley will attend the Employee Safety Day on September 10 in Cusick and the Pend Oreille County Representatives Workshop on September 11 in Ione.

NON-UNION COMPENSATION PHILOSOPHY:

Mr. Janney reported we are delaying the Non-Union Compensation Plan Review until the September 17 meeting. He and Suzie Wrbelis, District Director of Human Resources, are providing a draft compensation philosophy today. He reported we are striving to be more competitive with our pay ranges and make them more performance based, comprehensive, objective, and developmental. Discussion was held.

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

Discussion was held regarding the Annual Legislative Luncheon/Meeting.

Commissioner Onley reported the next meeting will be held on September 17 at 8:30 a.m., in the Newport Conference Room, Newport and via Microsoft Teams. He thanked the Board and staff for keeping the Board meetings on Tuesdays following a holiday. Discussion was held regarding the 4-10's work schedule and power outages. Chris Jones, District Director of Operations, reported there are no issues with outage coverage.

There being no further discussion to come before the Board, the meeting adjourned at 10:46 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form