

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
August 18, 2026
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Curtis J. Knapp, President
David W. Rick, Vice President
J. Troy Moody, Secretary

Staff Present: Chris Jones, General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Others: Ernie Hood, Commissioner Candidate
David Bradbury, Commissioner Candidate
Laura Verity, Merkle Standard Infrastructure
Andrew Kalicak, CBS Project Director
Jeff Wilson, CBS Regional Vice President
Abigael Weller, M&H Architects Senior Project Architect

The meeting was called to order at 8:30 a.m. by Commissioner Curtis J. Knapp, President followed by the Pledge of Allegiance.

APPROVAL OF CONSENT AGENDA:

The minutes from the August 4, 2026 meeting, today's revised agenda, and the vouchers were reviewed and discussed.

As of this date, August 18, 2026, the Board, upon motion by Commissioner Moody and seconded by Commissioner Rick approved the following:

- The revised agenda for August 18, 2026, and the minutes of the August 4, 2026 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. 11939 through 12015 in the total amount of \$234,159.74; ACH payments in the total amount of \$1,611,641.58; Wire transfers in the total

amount of \$406,651.43; and ACH payroll transactions in the total amount of \$399,067.84 for the payroll ending July 31, 2026.
The motion passed unanimously.

COMMISSION REPORT:

Commissioner Moody attended a virtual Northeast Washington Broadband Action Team meeting on August 6.

Commissioner Rick attended a Metaline Falls Town Council meeting on August 11th in Metaline Falls and noted staff may be contacted regarding their streetlights and water system charges. Discussion was held regarding a potential water system source. He attended a memorial service for Liz Green, Skamania PUD Commissioner.

Commissioner Knapp attended a virtual Public Power Council meeting on August 6 and a Northwest Open Access Network (NoaNet) meeting on August 12 in Spokane.

COMMISSION BUSINESS:

Commissioner Rick will attend the Pend Oreille County Fair and a Tri-County Economic Development District meeting on August 26 in Colville.

Commissioner Moody will attend the Pend Oreille County Fair and a Greater Newport Area Chamber of Commerce meeting on August 25 in Newport.

Commissioner Knapp will attend the Pend Oreille County Fair.

- Pre-approval of Commission Travel or Meeting Attendance. Discussion was held. A motion was made by Commissioner Rick and seconded by Commissioner Moody to approve the commission travel or meeting attendance for September, as amended. The motion passed unanimously.

GENERAL MANAGER REPORT:

Chris Jones, District General Manager, asked Mike Schleich, District Director of Engineering and Operations, to give his management report.

MANAGEMENT REPORT:

Mike Schleich, Director of Engineering and Operations:

He reported the District achieved a new record for Red Flag Warnings, we are currently at six. He thanked the Board for approving the revised Wildfire Mitigation Plan that allows us to re-energize customers earlier during a Red Flag Warning.

He provided an overview of the dock crew working on the Bare Mountain transmission line underbuild from Pine Street Substation. The Bare Mountain project for the building site, transmission line, and design is going well. He thanked finance for helping with the supply contracts long lead items.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Knapp provided the guidelines for the session and asked if there were any business or comments from the public. There was none.

Following a short recess, the meeting resumed.

MANAGEMENT REPORT (continued):

Mr. Schleich reported the new electronic reclosers have been received and they are being configured to be installed in the field.

He reported that staff is reviewing and revising our avian protection practices.

COOPERATIVE BUILDING SOLUTIONS (CBS) FACILITY STUDY PRESENTATION:

Mr. Jones reported that the Board and staff have had discussions over the last 15 years about our facilities for future needs. We gathered information and want to start this conversation today. We went out for a request for proposal, CBS was awarded the bid, and they are here today to provide a presentation. He encouraged the Board to ask questions throughout the presentation. Discussion was held.

Jeff Wilson, CBS, Regional Vice President, thanked the Board and staff for inviting them and for their confidence in CBS handling this project. He provided his background.

Andy Kalicak, CBS Project Director, provided his background.

Abigael Weller, M&H Architects Senior Project Architect, provided her background.

Mr. Kalicak provided a presentation highlighting their organizational chart, scope of services, project experience and locations, and project examples. He reviewed the facility planning study components and facility planning goals strategic plan.

Ms. Weller reviewed the District's Newport, Diamond Lake and Ione facilities including site limitations, conditions, and recommendations. A District functionality assessment using an industry standard rating and needs assessment was presented. Discussion was held.

Mr. Kalicak provided options, cost estimates and estimated timelines. Option zero includes existing site repairs and updates, option one is a new operations center at a new

site and option two is a new headquarters. He provided an options estimate summary comparison. He reviewed the CBS facility design process, bidding process, construction, and occupancy and post construction support. He reviewed the next steps and action plan. Mr. Jones reported that staff's recommendation is to get staff at one location and wants to continue conversation with the Board. We need to do something regarding our facilities so we can continue to provide reliable service for our kids and our grandkids. Discussion was held.

April Owen, District Director of Finance, thanked CBS staff for being so thorough and great to work with and for their knowledge in this process. Mr. Wilson appreciates the opportunity to work with the District.

Following a working lunch the meeting resumed.

FINANCIAL FORECAST:

Sarah Holderman, District Director of Customer Service, provided a 10-year financial forecast update that included assumptions for load projections, expected large capital projects, inflation, interest income, capital spending, operating revenue and expenses, electric unrestricted cash, financial metrics for days cash on hand, debt service coverage and debt to asset ratio.

MANAGEMENT REPORT:

Katie Pfitzer, Director of Administrative Services:

She reported there was an employee injury, when an employee was picking up rocks a finger was smashed.

She reported Life Flight was scheduled to land and be here at our last Administrative Safety meeting but was unable to due to a scheduling conflict.

She reported we have four summer students leaving this week.

Joe Hathaway, Public Information Officer:

He submitted a guest column on data centers in last week's Miner and Selkirk Sun. We have fliers that will be handed out at the Pend Oreille County Fair, as well as a new webpage on popud.org for large industrial customers.

Next Wednesday he and Nicole Woitel, District HR Generalist, will be at a Newport Hospital Foundation Wellness Fair / Back to School event at Stratton Elementary School.

Discussion was held regarding the paperless billing campaign.

Sarah Holderman, Director of Customer Service:

She attended a NoaNet Board meeting on August 12 and reported that the 2025 audit results were provided and it was a good audit. She gave kudos to our finance team on our audit noting the PUD's audit is much earlier in the year. NoaNet is working on several grant projects for other utilities. We are working on our grant agreement with NoaNet. Washington State has three BEAD contracts signed, which are due by October 8. We are working with the bank on a letter of credit and will provide the agreement and letter of credit as an action item to the Board at a September meeting.

Bryant Kramer, District Director of Power Production:

He provided a Box Canyon Spillway Bay 2 progress update presentation that included pictures of the rocks at the bottom of the spillway. He reported this area needs more work to replace concrete and rebar. This relates to today's action item. He explained the work details and project cost. Discussion was held.

ACTION ITEMS:

- Approval of Unbudgeted Request: Box Spillway Repair Project Increase. A motion was made by Commissioner Rick and seconded by Commissioner Moody to approve the unbudgeted request. The motion passed unanimously.
- Approval of Procurement of 115kV Power Circuit Breakers Contract No. 26-320. Mr. Jones reported these are for the Bare Mountain Substation. A motion was made by Commissioner Rick and seconded by Commissioner Moody to approve the procurement. The motion passed unanimously.

BOARD WORKSHOP - QUARTERLY VERSUS MONTHLY FINANCIAL STATEMENTS:

Discussion was held regarding a quarterly versus a monthly financial statement. Monthly reports will be provided to the Board and staff will continue to provide monthly financial report updates.

Discussion was held regarding the Board meeting schedule. Mr. Jones suggested going away from the fifth Tuesday of the month meeting at Box Canyon but still meet quarterly at Box Canyon.

Commissioner Knapp asked if there was any further business for the good of the order. Discussion was held regarding District organization representation and the Washington Public Utility Districts Association New Commissioner training for next year.

He reported the next meeting will be held on Tuesday, September 1, 2026 at 8:30 a.m., Newport Conference Room, Newport, WA and via Microsoft Teams.

He adjourned the meeting at 1:35 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form