

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
January 20, 2026
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

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

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

Others: Gretchen Koenig, Member of the Public
Kathryn Chitwood, Member of the Public
Wade Nelson, City of Newport Police Chief

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

Commissioner Knapp reviewed the safety guidelines for today's meeting.

APPROVAL OF CONSENT AGENDA:

The minutes from the January 6, 2026 meeting, today's agenda, and the vouchers were reviewed and discussed.

As of this date, January 20, 2026, the Board, upon motion by Commissioner Moody and seconded by Commissioner Rick approved the following:

- The agenda for January 20, 2026 and the minutes of the January 6, 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. 11254 through 11310 in the total amount of \$313,156.97; ACH payments in the total amount of \$860,407.40; Wire transfers in the total amount of \$431,085.48; and ACH payroll transactions in the total amount of \$368,654.20 for the payroll ending December 31, 2025.

The motion passed unanimously.

COMMISSION REPORT:

Commissioner Rick attended the Washington Public Utility Districts Association (WPUDA) meetings on January 14 – 16 in Olympia and provided an overview that included legislative bills and new laws.

Commissioner Knapp attended the virtual Public Power Council (PPC) and Pacific Northwest Utilities Conference Committee meetings on January 7 – 9 that included energy modular reactor and battery storage, residential exchange, Columbia River, Washington, D.C. politics, and energy grid planning. He attended an Energy Northwest meeting last week in Tri-Cities and provided an overview. He attended a virtual WPUDA Executive Board meeting on January 16.

COMMISSION BUSINESS:

Commissioner Moody will attend a Pend Oreille County Historical Society meeting tomorrow in Newport and a Greater Newport Area Chamber of Commerce meeting on January 27 in Newport.

Commissioner Rick will attend a Tri-County Economic Development District meeting on January 28 in Colville.

Commissioner Knapp will attend Energy Northwest meetings on January 21 – 22 in Olympia and a virtual PPC Forum of Elected Leaders meeting on January 28.

- Pre-Approval of Commission Travel or Meeting Attendance. Discussion was held. A motion was made by Commissioner Moody and seconded by Commissioner Rick to approve the Commission travel and meeting attendance for February. The motion passed unanimously.

Mr. Jones introduced and welcomed Wade Nelson, City of Newport Police Chief, to today's meeting. Chief Nelson commented that it is great to be here and to put faces to names. The Board welcomed him to the meeting.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Knapp asked if there were any business or comments from the public. He provided the guidelines for the session.

Kathryn Chitwood, member of the public, appeared before the Board to discuss her concern with government transparency, a liability bond requirement audit that threatens our electrical grid, thermal grid, and heat to greenhouses. She read a security statement and thanked everyone for doing their job. Commissioner Rick thanked Ms. Chitwood for attending and invited her to meet with him at the break.

Gretchen Koenig, member of the public, referenced the trade show that Commissioner Knapp mentioned and reported it is a technical trade show for renewable energy and batteries. She suggested the Board send a District representative to this trade show. Mike Schleich, District Director of Engineering and Operations, reported it is a Consumer Electronics Show and was held in Las Vegas a few weeks ago. There is another one in San Diego in two weeks.

Commissioner Knapp thanked everyone for attending.

Following a short recess, the meeting resumed.

GENERAL MANAGER REPORT:

Chris Jones, District General Manager, reported that Avista is asking for a 14% rate increase this year with multiple rate increases over the next several years. Avista will need to go before the Washington Utilities and Transportation Commission for approval. He doesn't know if the rate increase is across the board or just for Washington State customers. Discussion was held.

He reported that the IBEW Local 77 Union labor negotiations start tomorrow. Our current contract ends March 31. Initial negotiation meetings will take place this Wednesday and Thursday and February 11 and 12. Discussion was held.

He reported the Greater Newport Area Chamber of Commerce Gala is February 7 and the District is sponsoring a table. Commissioner Moody would like to reserve at least two seats. Discussion was held.

MANAGEMENT REPORT:

John Bricher, Finance Manager:

He reported staff is getting ready for the District's 2025 Financial Audit. Baker Tilly auditors will be remote the week of February 9 and onsite the week of February 16, 2026.

Sarah Holderman, Director of Customer Services:

She reported the state declared the December 2025 storms as a Federal Emergency Management Agency event. We submitted our estimated costs related to the storm.

She reported we will be implementing a Customer Pre-Pay Billing Program option and have three employees testing the system. Discussion was held.

Joe Hathaway, Public Information Officer:

He provided and reviewed a Public Outreach and Communications overview from the last month. Mr. Jones reported we worked on the December storm outage without any safety incidents and commended our crews. Discussion was held.

Mr. Hathaway reviewed public events and reported he testified on SB 6056. Mr. Schleich reported that Mr. Hathaway has been nominated by the Greater Newport Area Chamber of Commerce for his work in community outreach.

April Owen, Director of Finance:

She reported the average consumer price index is an increase of 2.36% for the year. We look at this for inflation.

She reported that the State Auditor's Office performs a compliance and financial audit of the District every year. They issued a report approving the financial audit performed by Moss Adams for 2024. Commissioner Knapp commended the finance team.

She and staff attended a Moody's video call last week to review the District and to let investors know our risk profile. She reported that we have been slowly pulling out of a downgrade BBB rating and two years ago we were upgraded to an A- credit rating. Gayle Podurgiel, Moody's Analyst, said the District has an A3 stable rating currently and is hopeful that we will be upgraded. Discussion was held. Mr. Jones reported that the rating agencies also look at the Board's willingness to raise rates. Ms. Owen reported the results are expected by February 1.

Scott Jungblom, Natural Resources Manager:

He reported we finished the eagle survey that includes a helicopter survey. This is the final stage of a 3-part survey and is called the winter bird survey. This year there were 103 birds counted, which is an all-time high count. This is the first year of the 5-year survey.

He reported last year we collected 3,500 fish in the fish ladder, including 12 target fish.

Mr. Jones reported Katie Pfitzer, District Director of Administrative Services, and Bryant Kramer, District Director of Power Production, conducted job interviews for the Power Supply Operator position. The job was awarded to Kelan Sax, a Hydro Operator at Avista.

He reported that Chris Wilson, District Project Engineer, has been awarded the Substation and Apparatus Technician job position.

Mike Schleich, Director of Engineering and Operations:

He reported that staff are continuously looking at ways to improve and that Mr. Wilson's new job role is strategic for our system reliability and being proactive. This will help us with wildfire season to be more reliable and purchased equipment is coming in May.

He reported the Standards Committee meeting was kicked off this morning. Staff are looking at components of our system to stay consistent. He reported our 10-Year Strategic Plan with the county should be completed within six weeks.

ACTION ITEM:

- Approval of Updated Interlocal Agreements, Memorandums of Understanding, and Memorandums of Agreement. Discussion was held. Ms. Owen reported this is a refresher for our Natural Resources agreements for our Federal Energy Regulatory Commission License compliance. A motion was made by Commissioner Rick and seconded by Commissioner Moody to approve. Commissioner Moody requested a report of all the agreements throughout the year to see where the money is going. Discussion was held. Karen Willner, District Clerk of the Board, read the following list:

Exhibit A – WA State Department of Fish and Wildlife – Trout Habitat Restoration Plan Support – Task Order No. 3

Exhibit A – Kalispel Tribe of Indians – Trout Habitat Restoration Plan Support – Task Order No. 4

Exhibit B – Kalispel Tribe of Indians – Archaeological Services – Amendment No. 4

Exhibit B – Kalispel Tribe of Indians – Comprehensive Wildlife Management Plan – Amendment No. 2

Exhibit B – Kalispel Tribe of Indians – Erosion Control Prevention and Remediation – Amendment No. 1

Exhibit B – Pend Oreille County Conservation District – Cottonwood Enhancement and Erosion Mitigation Funding – Amendment No. 2

Exhibit C – Pend Oreille County Noxious Weed Control Board – Noxious Weed Surveys, Control and Consultation – Amendment No. 1

Exhibit C – Pend Oreille County Noxious Weed Control Board – Aquatic Plant Management Plan Funding – New Agreement

Exhibit D – Upper Columbia United Tribes – Wildlife Monitoring and Evaluation Project – New Agreement

The motion passed unanimously.

Commissioner Knapp asked if there was any other business for the good of the order. There was none.

He announced a 45-minute executive session to review the performance of a public employee will begin at 10:30 a.m. in the Riverbend Conference Room and end at 11:15 a.m. 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.

EXECUTIVE SESSION – REVIEW PERFORMANCE OF A PUBLIC EMPLOYEE:

A 45-minute executive session to review the performance of a public employee commenced at 10:30 a.m. The following were in attendance: Board of Commissioners; and Chris Jones, General Manager. The executive session ended at 11:15 a.m. and the Board returned to open session. No final action was taken during the executive session.

Ms. Willner reported the next regular meeting is scheduled for Tuesday, February 3, 2026, starting at 8:30 a.m., in the Newport Conference Room, in Newport, Washington and via Microsoft Teams.

Commissioner Knapp adjourned the meeting at 11:17 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form