

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
July 29, 2025
BOX CANYON DAM, IONE, WA AND
VIRTUAL VIA MICROSOFT TEAMS

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

Staff Present: Bryant Kramer, Acting General Manager
Management/District Staff
Karen Willner, Clerk of the Board

Absent: Chris Jones, General Manager

Others: Gretchen Koenig, Member of the Public
Kory Hedrick, Versatile Industries Owner

The meeting was called to order at 8:30 a.m. by Dave Rick, President followed by the Pledge of Allegiance.

CONSENT AGENDA:

The minutes from the July 15, 2025 meeting, today's agenda, and the vouchers were reviewed.

As of this date, July 29, 2025, the Board, upon motion by Commissioner Knapp and seconded by Commissioner Moody approved the following:

- The agenda for July 29, 2025, and the minutes of the July 15, 2025 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. 10677 through 10714 in the total amount of \$129,397.86; ACH payments in the total amount of \$2,419,023.79; Wire Transfers in the total amount of \$784,068.88; and ACH payroll transactions in the total amount of \$340,624.45 for the payroll ending July 15, 2025.

The motion passed unanimously.

BOX CANYON REPORT:

Bryant Kramer, District Acting General Manager, reported he is filling in for Chris Jones, District General Manager and today we will honor and recognize our Box Canyon summer student interns with a lunch.

He reported the Unit 1 dewater was completed and we need to do electrical work before it goes back in service.

He provided an overview on the upstream river outlook for 2025 from the National Oceanic and Atmospheric Administration, maintenance projects for spillway bay 3 erosion and caisson process, and other spillway maintenance and concrete repairs. Discussion was held.

He reported on future Federal Energy Regulatory Commission (FERC) License projects for Sullivan Lake Dam, and the Calispell Creek Dike core drilling. Discussion was held. After our Sullivan Creek FERC License surrender has been completed, we will fall under the Washington State Department of Ecology regulations.

Discussion was held regarding summer student projects.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Gretchen Koenig, member of the public, thanked the District for its help for the upcoming Pend Oreille County Fair to replace the line on the flag pole and for being a part of the fair.

Kory Hedrick, Versatile Industries Owner, expressed his frustration with the District's line extension application process and receiving a cost quote from the District. He reported it is a difficult process and noted the quick turnaround when he worked with the previous engineer and wanted to make the Board aware of the issue. Discussion was held. Commissioner Rick thanked Mr. Hedrick for bringing the matter to the Board's attention. Stacie Maier, District Director of Engineering and Operations, and Sarah Holderman, District Director of Customer Services, will talk with Mr. Hedrick during the break.

Commissioner Rick thanked everyone for attending and for their questions and comments.

Following a short recess, the meeting resumed.

BUDGET TO ACTUAL FINANCIAL PRESENTATION:

April Owen, District Director of Finance, reported this is a 6-month overview of our budget to actual financials and this information will be posted on our website today.

She provided a presentation and reviewed the electric system general service revenues and reported we are slightly under budget due to the mild weather. She reported Cascade Digital Mining, LLC revenues are under budget and we are also under budget in the power that we purchase for them so our net revenue is on budget.

She reviewed the Box Canyon production system costs and reported we anticipate that we will be under budget for protection, mitigation and enhancement, administrative and general, and capital expenditures. Discussion was held.

She reviewed the Community Network System revenue and reported we are slightly under budget and will generally increase in the second half of the year. Discussion was held.

She reviewed the water systems and reported water sales are over budget and we have received grant funds for the Metaline Falls Water System water line repair. Discussion was held. She reported the water systems have intercompany loans from the electric system for their cash needs.

She reviewed the capital budget projects for all the systems and reported that we anticipate spending our full budget this year. Discussion was held. She reviewed our cash flows and bond market rates. The Board thanked Ms. Owen for her presentation and information.

BONNEVILLE POWER ADMINISTRATION (BPA) CONTRACT UPDATES:

Ben Hall, District Energy Resources Manager, provided a presentation and reviewed our current Regional Dialogue (RD) Contract, the upcoming Provider of Choice (POC) Contract, and framework of the Bonneville Power Administration's (BPA) statutory obligations that apply to both contracts. He reviewed our RD Contract load forecast, resources, net requirements, and timeline.

He reviewed our POC next steps and reported August 28 is the date that BPA will publish its final Contract High Water Mark policy. He reported on BPA's upcoming power rate increase and discussed how these increases may impact the District and public power entities across the region. Discussion was held. The Board thanked Mr. Hall for his presentation and information.

COMMISSION REPORT:

Commissioner Moody attended the Washington Public Utility Districts Association (WPUDA) meetings on July 16 - 18 in Mt. Vernon and provided an overview including the Helion Energy Tour.

Commissioner Knapp attended the WPUDA meetings on July 16 – 18 in Mt. Vernon and provided an overview including Tyler Whitney's, Cable Huston, LLP, overview of the Voting Rights Act.

Commissioner Rick virtually attended the WPUA meetings on July 16 – 18 and provided an overview including legislative low-income assistance programs and a Public Power Council presentation. He attended a Tri-County Economic Development District meeting on July 23 in Colville and provided an overview. He reported Congressman Michael Baumgartner will visit Box Canyon on August 14. Discussion was held.

COMMISSION BUSINESS:

The Board of Commissioners will not have any travel or meetings before the August 5 meeting.

Commissioner Knapp noted Darrel Hawes, General Manager and Mick Yarroll, Commissioner at Stevens County PUD will attend the August 5 meeting.

- Pre-Approval of Commissioner Travel or Meeting Attendance. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Moody to approve the Commissioner Travel or Meeting Attendance for August as presented. The motion passed unanimously.

BOARD WORKSHOP – BOX CANYON LICENSE:

Mr. Kramer and Scott Jungblom, District Natural Resources Manager, provided a presentation on our FERC 2042 Box Canyon License including history, why we needed a license, original operational curves for backwater, license conditions, license amendments, Plan E agreement between the District and the Diking District 2, Amended Settlement Agreement, and Off License Settlement Agreement. The Board thanked Mr. Kramer and Mr. Jungblom for their presentation and information.

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

He reported that following a Summer Student Recognition lunch, the meeting will be adjourned. The next meeting will be held on Tuesday, August 5 at 8:30 a.m., in the Newport Conference Room in Newport and via Microsoft Teams.

There being no further discussion to come before the Board, the meeting adjourned at 11:28 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form