

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
March 3, 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: Approximately 25 Members of the Public
Tyler Whitney, Cable Huston, LLP, virtual

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 February 17, 2026 meeting, today's agenda, and the vouchers were reviewed.

As of this date, March 3, 2026, the Board, upon motion by Commissioner Rick and seconded by Commissioner Moody approved the following:

- The agenda for March 3, 2026 meeting, and the minutes of the February 17, 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. 11410 through 11446 in the total amount of \$146,872.24; ACH payments in the total amount of \$832,648.08; Wire transfers in the total amount of \$386,154.04; and ACH payroll transaction in the total amount of \$283,659.03 for the payroll ending February 15, 2026.

The motion passed unanimously.

SAFETY SPOTLIGHT:

Sheena Thompson, District HR Generalist, reported on March safety training that includes CPR/First Aid, flagger, downed power lines, critical wound care, and hazards of

working on or near energized or exposed equipment. The April safety training includes mental health, crane, digger derrick, and lock out tag out clearance and tagging.

She reported that an incident in June was classified as non-recordable by OSHA. As of today, we are at 414 days without any safety incidents. Discussion was held.

CUSTOMER SPOTLIGHT:

Joe Hathaway, District Public Information Officer, reported our Neighbors in Need “Feel the Love” donation campaign was a success and he thanked everyone for their generosity and supporting our community needs.

He reported that spring is good time to remind customers to update their contact information. He then reminded people and businesses as it’s close to spring and yard sale season, to not post any signs on power poles because it is a safety concern for our linemen and also against the law.

COMMISSION REPORT:

Commissioner Moody attended a Greater Newport Area Chamber of Commerce meeting on February 24 in Newport and provided an overview. He attended a Financial Forecast and Rates discussion with staff on February 25 in Newport.

Commissioner Rick had conversations with customers on various topics and thanked staff for helping a customer. He attended a Financial Forecast and Rates discussion with staff on February 23 in Newport and thanked staff for their review. He attended a Tri-County Economic Development District meeting on February 25 in Colville and provided an overview. Discussion was held.

Commissioner Knapp met with Olga Darlington, Baker Tilly, for a District audit entrance exam on February 17 in Newport and met with staff for a Financial Forecast and Rates discussion on February 19 in Newport. He attended a Washington Public Utility Districts Association/American Public Power Association Legislative Rally on February 23 – 26 in Washington, D.C., distributed a handout, and provided an overview.

COMMISSION BUSINESS:

Commissioners Moody and Rick will attend a Pend Oreille Representatives Workshop on March 11 in Usk.

Commissioner Knapp will attend virtual Public Power Council and Pacific Northwest Utilities Conference Committee meetings on March 4 – 6 and the Pend Oreille Representatives Workshop on March 11 in Usk.

Bryant Kramer, District Director of Power Production, introduced Kelan Sax, District Journeyman Hydro Operator, and provided his work background and District

introductory meetings. The Board welcomed Mr. Sax to the District. Mr. Kramer recognized Josh Bean, District Power Supply Operator. The Board thanked Mr. Bean for attending today's meeting.

GENERAL MANAGER REPORT:

Chris Jones, District General Manager, reported the IBEW Local 77 negotiations will continue March 18 and reported discussions have been positive and the District is expecting a counter proposal from the Union in a few weeks. He provided a Central Washington Public Utilities overview.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

Commissioner Knapp read a summary format for this session and the public hearing session. He reported each person has a three-minute time limit and the sessions are intended for comments rather than questions or discussion. The Clerk of the Board will keep track of the time and let the person know when their time limit expires. He asked if there was any business or comments from the public.

A member of the public provided a comment.

Gretchen Koenig, member of the public, commented about PFAS testing.

Ernie Hood, member of the public, distributed a handout and provided comments regarding the proposed rate adjustments.

Commissioner Knapp thanked everyone for their comments.

Following a 10-minute recess, the meeting resumed.

GENERAL MANAGER REPORT (continued):

Mr. Jones reported there will be a Board Workshop at the March 17 meeting with Ben Huntley, District Serviceman II, providing a meter presentation.

He reported county road restrictions are in effect and we work with the county to make sure we are not doing any new line extensions. We do maintenance work, pole renumbering, and inspections during this time. Discussion was held.

ACTION ITEMS:

- Approval and Annual Review of Revised Internal Reliability Compliance Policy. Angie Hall, District Regulatory Compliance Manager, reported this revision is to update Board and staff titles. A motion was made by Commissioner Moody and seconded by Commissioner Rick to approve the revised policy. The motion passed unanimously.

Commissioner Moody thanked all the members of the public for attending today's hearing.

PUBLIC HEARING – PROPOSED ELECTRIC SYSTEM AND COMMUNITY NETWORK SYSTEM RATE AND FEE ADJUSTMENTS:

Pursuant to notice given to the Newport Miner, a public hearing to discuss the proposed Electric System and Community Network System (CNS) rate and fee adjustments commenced at 9:32 a.m. (started late due to opening doors to allow for public overflow into the atrium). There were approximately 25 members of the public in attendance.

Sarah Holderman, District Director of Customer Services, reported the Board has the authority to set the rates and takes staff and public comment into account. She provided a proposed Electric System and CNS rate and fee adjustments presentation and reported per a District 2024 customer survey, customers indicate they would rather have smaller, more regular increases. She presented revenue requirements and cash balance forecasts and proposed revenue adjustments. She reported that staff is recommending a 3% Electric System revenue adjustment and provided a monthly impact to the customer.

She reviewed the Electric System policy revisions that included revisions for reconnection of service and irrigation account billing timing.

She reviewed the proposed adjustments for the CNS and Electric line extension fees. She reviewed the proposed CNS Premium Class Services by negotiated contract only service.

She reported the Board will consider staff and public comment and adoption is scheduled for March 17 and effective April 1.

Commissioner Knapp read the public comment summary and asked if there was any public comment.

Mike Hanson, member of the public, thanked Mr. Hood for his earlier comments and provided public comment.

Joe Onley, member of the public, distributed a handout, read a rate document, and provided public comment.

Jim Jackson, member of the public, thanked others for their comments and provided public comment.

A member of the public commented about power generation.

A member of the public requested a copy of today's presentation. Ms. Holderman will provide.

Richard Bevans, member of the public, commended the District for its work and provided public comment.

Karl Kenney, member of the public, provided public comment.

Tracey Morgan, member of the public, provided public comment.

Kay Payne, member of the public, provided public comment.

Jackie Hunt, member of the public, read a document and provided public comment.

Lindy Lindauer, member of the public, provided public comment.

Mike Hanson, member of the public, added to his previous public comment.

April Owen, District Director of Finance, provided information to address some of the public comments. Discussion was held.

The public hearing ended at 10:25 a.m.

Following a 10-minute recess, the meeting resumed.

FINANCIAL REVIEW:

Ms. Owen provided a 2025 financial presentation regarding major events that included the Cascade Digital contract, Climate Commitment Act funds, and the Metaline Falls pipe replacement and grant funding. She reviewed interest income, capital spending, revenue, Cascade Digital usage, Box Canyon total cost and annual generation, operation and maintenance expenses, protection, mitigation and enhancement expenses, and administrative and general expenses. Discussion was held.

She provided a Public Utility Tax, Privilege Tax, and Fire District payment presentation. Discussion was held.

She reported we have completed our financial audit and Ms. Darlington will be presenting at our March 31 Board meeting at Box Canyon.

Commissioner Knapp thanked Ms. Owen for her presentation.

ACTION ITEMS (continued):

- Approval of Early Closing for Employee Day. A motion was made by Commissioner Moody and seconded by Commissioner Rick to approve the early closing at 1:00 p.m. for Employee Day. The motion passed unanimously.

Commissioner Knapp asked if there was any further business for the good of the order. Mr. Hathaway provided handouts from the public hearing and financial review presentations.

Mr. Jackson requested the District provide information to the public prior to public hearings and presentations. Discussion was held. Mr. Hathaway distributed Annual Reports.

Commissioner Knapp announced that following a short recess, a 1-hour executive session to review the performance of a public employee will begin at 11:45 a.m. in the Riverbend Conference Room and end at 12:45 p.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 1-hour executive session to review the performance of a public employee commenced at 11:45 a.m. The following were in attendance: Board of Commissioners; and Tyler Whitney, Cable Huston, LLP, virtual. At 12:45 p.m., Commissioner Knapp publicly announced the executive session would be extended for 45 minutes and end at 1:30 p.m. Chris Jones, District General Manager, joined the executive session at 1:20 p.m. The executive session ended at 1:30 p.m. and the Board returned to open session. No final action was taken during the executive session.

Commissioner Knapp reported the next regular meeting is scheduled for Tuesday, March 17, 2026, starting at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams. He adjourned the meeting at 1:31 p.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form