

Minutes of
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY
September 16, 2025
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND
VIRTUAL VIA MICROSOFT TEAMS

Present: Dave Rick, President
Curtis J. Knapp, 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
Laura Verity, Merkle Standard

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

APPROVAL OF CONSENT AGENDA:

The minutes from the September 2, 2025 meeting, today's revised agenda, and the vouchers were reviewed and discussed.

As of this date, September 16, 2025, the Board, upon motion by Commissioner Moody and seconded by Commissioner Knapp approved the following:

- The revised agenda for September 16, 2025 and the minutes of the September 2, 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. 10830 through 10884 in the total amount of \$101,158.59; ACH payments in the total amount of \$289,521.54; Wire transfers in the total amount of \$262,125.88; and ACH payroll transactions in the total amount of \$311,515.79 for the payroll ending August 31, 2025.

The motion passed unanimously.

COMMISSION REPORT:

Commissioner Moody attended a Pend Oreille Representatives Workshop on September 10 at the District in Newport and commended Jessica Garza, Port of Pend Oreille Economic Development Director, for her efforts and reported it was a great meeting.

Commissioner Knapp attended Energy Northwest Finance meetings on September 9 – 10 in New York City, provided an overview, and reported it was educational.

Commissioner Rick attended the Pend Oreille Representatives Workshop on September 10 at the District in Newport and reported the Newport Hospital & Health Services Commissioners and staff attended, thanked Karen Willner, District Clerk of the Board, for the draft minutes, and provided a workshop summary. Discussion was held.

COMMISSION BUSINESS:

Commissioner Knapp will attend the Washington Public Utility Districts Association (WPUDA) meetings on September 17 – 19 in Moses Lake, Energy Northwest Corporate Nuclear Safety Review Board meetings on September 22 – 24 in Tri-Cities, a WPUDA Water Workshop on September 24 – 26 in Leavenworth, and a Board meeting on September 30 at Box Canyon Dam in Ione.

Commissioner Moody will attend the WPUDA meetings on September 17 – 19 in Moses Lake and a WPUDA Water Workshop on September 24 – 26 in Leavenworth. He thanked Sarah Holderman, District Director of Customer Services for her insight into our Telecom and Water Systems.

Commissioner Rick will attend a Tri-County Economic Development District meeting on September 24 in Colville.

GENERAL MANAGER REPORT:

Chris Jones, District General Manager, will attend a WPUDA General Managers Committee meeting tomorrow in Beverly. He attended a General Manager meeting on September 10 - 11 in Shelton and reported it was a meeting of all the general managers of electric and water utilities, it was a good opportunity to meet all the general managers, it was a great meeting, and they plan to have two meetings each year.

He reported Ms. Holderman is working on the budget process and staff had a kickoff meeting. Budget discussions will start occurring at the September 30 Board meeting.

He reported Joe Hathaway, District Public Information Officer, is attending a Coffee with a Cop event today in the north county. Mr. Hathaway is working on communications and marketing for Public Power Week which is October 6 - 9 and this year he is adding Pops, Brats, & Kilowatts events on October 6 from 3:30 – 6:00 p.m. in Newport and on

October 9 from 3:30 – 6:00 p.m. at Box Canyon. It will be a good opportunity for the community to stop by and learn about the benefits of public power.

BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Laura Verity, Merkle Standard, thanked Ben Hall, District Energy Resources Manager and April Owen, District Director of Finance, for working with them on their contract.

Gretchen Koenig, member of the public, referenced the Pend Oreille Representatives Workshop and reported she was concerned when Ms. Garza reported that the Department of Commerce in Olympia is holding up the ADO contract process and that we may lose her if there is no funding. She inquired if the District can send a letter of support to Commerce. Commissioner Knapp commented that maybe we can send a letter of support to Joe Nguyen, Department of Commerce Director. Commissioner Moody commented that it would be great to get support and suggested having local agencies each provide a letter of support.

Commissioner Rick thanked Ms. Verity and Ms. Koenig for attending and for their comments and thanked others for attending.

MANAGEMENT REPORT:

Amber Gifford, Conservation and Grants Manager:

She shared an Energy Efficiency Program presentation and reported we are approaching the end of the rate period with the Bonneville Power Administration (BPA) which is at the end of this month and we have a 2-year energy conservation budget. The total energy savings achieved was over 2M kWh which is enough to power 126 homes over a year.

She reported there are residential, commercial, and industrial projects. We had 634 customer requests for Energy Efficiency Kits consisting of door sweeps and plug-ins and there were 203 Smart Thermostats given to customers. She thanked our customer service team for the energy kit promotion success and in helping the customers. She thanked Mr. Hathaway for doing a customer email blast which generated a huge response.

She reported the commercial projects included lighting upgrade and HVAC projects. We had 16 projects completed over the 2-year timeframe. She highlighted a lighting project and energy savings for the Kalispel Tribe of Indians and a HVAC project and savings for Create.

She reported we work with Energy Smart on industrial projects which included a Compressed Air Efficiency Variable Frequency project and lighting projects for Safran and a Leak Abatement project for the Riverview Water System.

She provided an energy efficiency spending and savings summary. She reported we receive an incentive payment (this year we received \$89K) from BPA which we put into an Energy Efficiency Program to keep these programs going. She thanked BPA, trade-ally network of contractors, suppliers/distributors, and District staff. The Board thanked Ms. Gifford for her presentation and efforts. Mr. Hall commended Ms. Gifford for her efforts given the short amount of time she was in this job position.

Sarah Holderman, Director of Customer Services:

She reported the water system loan payments are due October 1 and she provided a debt summary to the Board.

She provided a Northwest Open Access Network (NoaNet) update and reported NoaNet Member Representatives voted unanimously for a change in membership to add Broadlinc as a member.

She reported staff continues to work on our Wildfire Liability Pool with the Public Utility Risk Management Services. They are looking to move it to a separate policy and are working with members and the insurance company. She will attend another meeting next month.

April Owen, Director of Finance:

She provided a Clark Contract update related to their payment to the District and reported our contract begins on January 1, 2026 and ends on December 31, 2041. She reviewed the fixed costs for bond payments and the Off-License Settlement Agreement payments to the Kalispel Tribe of Indians. She reviewed the variable costs and calculations for operation and maintenance, administrative and general, protection mitigation and enhancement, and capital costs and reported these costs change each year and will continue to increase with inflation. She reviewed the environmental adder of the energy that is produced at Box Canyon Dam. She reviewed the forecasted Box Canyon cost. Discussion was held. The Board thanked Ms. Owen for her presentation and information.

Ben Hall, Energy Resources Manager:

He reported today's first action item would extend the current Electric Service Agreement (ESA) between the District and Cascade Digital Mining, LLC for one month, with a longer-term ESA presented to the Board at a future meeting. He reported that the customer intends to update their name from Cascade Digital Mining, LLC to Merkle Standard Infrastructure in a future ESA.

ACTION ITEMS:

- Approval of Large Industrial Electric Service Agreement. A motion was made by Commissioner Knapp and seconded by Commissioner Moody to approve the one-

month extension of the Cascade Digital Mining, LLC Electric Service Agreement. The motion passed unanimously.

- Approval of WSPP Master Confirmation. Mr. Hall reported the Western Systems Power Pool (WSPP) agreement is a standard enabling agreement for power supply transactions and the Master Confirmation is used to modify certain terms with a wholesale counterparty, in this case Shell Energy. The current confirmation between Shell and the District expires at the end of September and this new agreement would not have a specified end date and would remove pre-pay language since it is not used. Discussion was held. A motion was made by Commissioner Knapp and seconded by Commissioner Moody to approve the WSPP Master Confirmation. The motion passed unanimously.
- Request Approval for Budgeted Purchase of Power Transformer for Bare Mountain Substation, Contract No. 25-303. Stacie Maier, District Director of Engineering and Operations, reported the estimated arrival is 85 weeks which would be in June 2027. A motion was made by Commissioner Moody and seconded by Commissioner Knapp to approve the purchase and contract to the apparent low bidder, MVA Power in the total cost of \$1,291,140.96. Discussion was held. The motion passed unanimously.

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

He reported the next regular meeting is scheduled for Tuesday, September 30, 2025, starting at 8:30 a.m., at Box Canyon Dam, in Ione, Washington and via Microsoft Teams.

He adjourned the meeting at 9:53 a.m.

President

ATTEST:

Secretary

General Counsel
Approved as to Form