

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
March 18, 2025  
NEWPORT CONFERENCE ROOM, NEWPORT, WA AND  
VIRTUAL VIA MICROSOFT TEAMS

Present: Dave Rick, President  
Troy J. Moody, Secretary

Absent: Curtis J. Knapp, Vice President

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

Others: Gretchen Koenig, Member of the Public  
Laura Verity, Merkle Standard  
Lynnee Barsi, Member of the Public  
Dale Weathers, Member of the Public  
Nathan Weathers, Member of the Public  
Thomas Foster, Member of the Public

The meeting was called to order at 8:30 a.m. by Commissioner Dave Rick, President.

BOARD WORKSHOP:

Commissioner Rick welcomed the members of the public. Discussion was held regarding the audit process and the auditor's cost.

APPROVAL OF CONSENT AGENDA:

The minutes from the March 4, 2025 meeting, today's agenda, and the vouchers were reviewed.

As of this date, March 18, 2025, the Board, upon motion by Commissioner Moody and seconded by Commissioner Rick approved the following:

- The agenda for the March 18, 2025 meeting, and the minutes of the March 4, 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. 10275 through 10320 in the total amount of \$66,079.27; ACH payments in the total amount of \$874,309.20; Wire transfers in the total amount of \$242,515.88; and ACH payroll transactions in the total amount of \$265,230.80 for the payroll ending February 28, 2025.

The motion passed unanimously.

ACTION ITEM:

- Declaration of Surplus Property – Fleet Asset #333, a 2007 Ford F150 Crew Cab Truck. The truck has approximately 124,820 miles and will be offered for sale through our sealed bid process. Discussion was held. A motion was made by Commissioner Moody and seconded by Commissioner Rick to approve and declare the truck as being unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District. The motion passed unanimously. Staff will proceed as appropriate.

### INTERIM GENERAL MANAGER REPORT:

Chris Jones, District Interim General Manager, reported that staff received a FY26 Appropriation Request from the Port for a letter of support to convert their existing locomotive wet-blast booth to a dry-blast booth. The Port is trying to get a grant and we emailed our letter of support to the Port this morning.

He reported that he and Suzie Wrbelis, District Director of Administrative Services, will attend a Central Washington Public Utilities (CWPU) Bargaining Guidelines and Joint Negotiation Kickoff on March 26 in Wenatchee. This meeting is for our negotiations with the IBEW Local Union to discuss employee benefits. He reported then the Employee Insurance Advisory Committee group takes comments to CWPU and then each utility goes into their local negotiations. The new union contract will go into effect on April 1, 2026.

He attended a Newport City Council meeting last night in Newport for introductions and to maintain a good working relationship. He is getting out to meet and visit with local commissioners and agencies.

He reported staff had their first Leadership Training sessions with Nash Consulting last week. He received good comments and noted that this training was needed and is a priority. It is a big-time request for our employees, but it is good for our employees to grow. Discussion was held. Ms. Wrbelis reported this is part of our Employee Engagement Survey that was conducted. There was an 85% employee participation rate and results indicated that communication and training improvements were needed which is why staff is doing the training. She reported the Leadership group learned about employee morale, listening skills, psychological safety, and top management skills and that this training helps staff become better leaders and managers.

### BUSINESS FROM THE PUBLIC/OPEN COMMENT PERIOD:

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

Lynnee Barsi, a member of the public, commented that she is here to learn more about the District.

Commissioner Rick read customer comments related to today's public hearing. He noted the importance of staff following up with customers and letting the customers know that staff and the Board have received their comments. Commissioner Moody noted the importance of keeping communication open with our customers and the public. Joe Hathaway, District Public Information Officer, reported that he reached out to the customer who had questions about the rates.

### MANAGEMENT REPORT:

#### April Owen, Director of Finance:

She reported that staff is looking to conclude our audit. She commended John Bricher, District Finance Manager, for discovering a needed adjustment in our calculation with depreciation. She reported our accounting system wasn't calculating depreciation correctly which led to a \$900,000 adjustment. Staff will need to restate prior years. We were taking more depreciation than we should have been taking. Olga Darlington, Moss Adams auditors, will be here on April 1 or April 15 to give a presentation. She reported the depreciation was on our devices – underground, overhead, poles, fiber, and water.

#### Joe Hathaway, Public Information Officer:

He provided a legislative update and reported that bills were passed on March 12 and for the next two weeks senate will review House Bills, notably HB 2016 concerning an

additive capital budget for state matching funds and federal expenditure authority for broadband.

He provided a communications update and reported he is expanding our customer outreach. He and staff are alerting the public about our public hearings and we will also use alerts for educational purposes such as for wildfire mitigation. He is using the KUBS FM Radio more to build our District presence with topics such as rates and safety. He commended Jordan Marshall, a Newport High School student and KUBS staff for their help and support. Discussion was held regarding communication emails and spam. Commissioner Rick thanked Mr. Hathaway for his efforts and meeting with the public. He noted Avista's recent shut down and database for their customer needs and explained the importance in our communication messages for customers to self-report any issues.

Bryant Kramer, Director of Power Production:

He provided a Metaline Falls Water System update and reported the contractors are working on the upper bench below the Circle Motel which is the last section of the project. He is expecting the system to be back in service in the beginning of April. Staff will need to do some clean up and hydro seeding work and Sarah Holderman, District Director of Customer Services, will close out our grant.

He provided a production update and reported staff is seeing 15,000 cubic feet per second flows in the river, lots of runoff, and snow melting rapidly. Staff is looking at the spring runoff peak to occur at the beginning of June with 55,000 cubic feet per second and the United States Army Corps of Engineers says it will occur during the second week of June.

He reported that maintenance projects are starting at the Cusick Pumping Plant to rebuild hand railings on the Cusick 250 HP pump structure and building a new trash boom.

He reported that staff is preparing for our Federal Energy Regulatory Commission Part 12 Dam Safety Inspection in June and then we will have 3-day inspection for Box Canyon Dam and Sullivan Lake Dam.

He reported that next Monday DW Excavating will be starting on our Box Canyon Powerhouse gantry crane repair project and this will require everyone to wear hard hats and safety gear. The repair work should last about a month.

Stacie Maier, Director of Engineering and Operations:

She reported that power outages occurred on Saturday and Sunday in Metaline Falls due to trees on the lines. She explained the ground is thawing and we had some snow and wind. It is rugged terrain which makes it challenging to get the fixes done. There is a scheduled outage this Thursday to return all the circuits to normal in the Metaline Falls Substation.

PUBLIC HEARING – ELECTRIC SYSTEM LINE EXTENSION FEES AND CHARGES AND ELECTRIC RATES, FEES, AND TERMS OF SERVICE:

Pursuant to notice given to the Newport Miner, a Public Hearing to discuss the Electric System Line Extension Fees and Charges and Electric Rates, Fees, and Terms of Service was held at 9:30 a.m. There were approximately 12 members of the public in attendance.

Ms. Holderman reported the Board sets the rates and takes staff and public comments into account. She will ask for adoption at the April 1 meeting.

She provided a presentation and reviewed the proposed electric line extension primary and secondary connection and extension fees and additional service proposed fees.

She reviewed a proposed Opt-Out Program in relation to the new Advanced Meter Replacement Project. There would be a one-time field service fee of \$100 to cover the cost of changing out the meter if needed. There would be a monthly fee of \$30 to cover

the costs of staff doing a manual meter read four times a year and the billing read will be estimated on months when a manual read is not performed. This proposed program is for single-phase residential customers only.

She reported the District has two electric vehicle charging stations – one in Newport that is hosted by the Greater Newport Area Chamber of Commerce and one in Metaline Falls. The Metaline Falls station is no longer being hosted. Staff is proposing a charging session and usage fee for the level 2 charger installed in Metaline Falls.

She reviewed the next steps for the Board to consider staff and public comments and an action item at the April 1 meeting.

Commissioner Rick asked if there were any public comments.

Dale Weathers, a member of the public, inquired when the current rates were last updated. Ms. Holderman reported they were updated last year. Mr. Weathers inquired about what the average customer pays. Ms. Holderman reported she can print our District policy and walk him through it. She reviewed the process and costs.

Nathan Weathers, a member of the public, thanked the District for being here and for what it does and is in favor of the Opt-Out Program. He inquired why the District-owned charging rate is different at home versus at the charging station.

Laura Verity, Merkle Standard, inquired if the budget costs should decrease for the Opt-Out Program if District staff goes out and manually reads the meter. She hasn't seen the cost for non-communicate and expense in the budget. Ms. Holderman reported the current meters do communicate, we have reduced our meter readers from three to one, and we haven't backfilled our employees.

Thomas Foster, a member of the public, inquired if the Opt-Out Program rates will go up and if he can call and give his meter reading or email a picture. He commented that the usage is guesstimated since he's been aware and why is the District changing it now. Ms. Holderman explained that staff would like to keep an eye on the meter reads and the new meters are not being estimated and reviewed the advanced meter change out process and cost. Mr. Foster inquired if the meter is battery operated. Ms. Holderman reported the meters are not battery operated. Mr. Foster inquired if customers will receive more information on the new meters. Ms. Holderman reported there is information on our website and she can discuss this further with him.

The public hearing ended at 9:50 a.m. Commissioner Rick thanked Ms. Holderman for her presentation and for public attendance and comments.

Following a short recess, the meeting resumed.

#### MANAGEMENT REPORT (continued):

##### Sarah Holderman, Director of Customer Services (continued):

She reported staff is waiting for more new meters to arrive and the meter crew went home. The Meter Replacement Project started in the north county and there are still some meters to change out. The project moved to south county and there are meters to change out.

She reviewed the District's current Neighbors in Need (NIN) Low-Income Assistance Program and reported staff is proposing to remove the account status eligible for disconnect due to non-payment requirement.

She reviewed the District's current Low-Income Senior Discount Program and reported staff is proposing to increase the qualified customer discount amount from receiving \$5 per month to receiving \$10 per month.

She reviewed a proposed new Low-Income Veterans Discount Program for honorably discharged United States military veterans. She reported this program would help the District reach its Clean Energy Transformation Act (CETA) Compliant goals. Qualifying applicants would receive a \$10 monthly discount. Discussion was held.

Ben Hall, Energy Resources Manager:

He provided a Bonneville Power Administration (BPA) Provider of Choice (POC) timeline presentation and reported the Board has the responsibility of deciding what we will do with our BPA Contract. He reviewed the District's BPA Regional Dialogue (RD) Contract that runs through 2028. He reviewed the allocation, tiered rates, product types, rules, and restrictions and reported that we can't resell and there is an obligation to purchase on a take-or-pay basis. The District's current contract has a Contract High Water Mark of 25MW, is a Block Product, and doesn't have an election of Tier 2 power.

He reported the District's RD Contract is going to be replaced with the POC Contract which starts October 1, 2028 and runs through September 30, 2044. He explained the benefits of the District having BPA power - guaranteed transmission, firm delivery, largely Climate Commitment Act and CETA Compliant, and has a potential to shape resources from BPA to a seasonal need.

He reviewed the POC Contract next steps and timelines from BPA – June 18 is the formal request to BPA for a contract, December 5 is for the contract to be signed and returned to BPA, at the end of 2025 BPA countersigns the agreements, and in the spring of 2026 the final Contract High Water Mark values are known.

Ms. Maier noted the importance of customers notifying the District if they see any tree issues that could lead to outages.

COMMISSION REPORT:

Commissioner Moody attended an Economic Development Advisory Committee (EDAC) meeting on March 5 at the Camas Wellness Center in Cusick and noted the value of the EDAC and the Port. He attended a Pend Oreille County Representatives Workshop on March 12 in Newport. He commended Kelly Driver, Port Executive Director, and Jessica Garza, Port Economic Development Director, for the work they do for the EDAC and Port.

Commissioner Rick attended the EDAC meeting on March 5 at the Camas Wellness Center in Cusick and reported they have changed their meeting structure and now there is a business and education focus and grant opportunities. He thanked Laura Verity, Merkle Standard, for her efforts and work on the grants. He attended the Pend Oreille County Representatives Workshop on March 12 in Newport and provided an overview.

COMMISSION BUSINESS:

Commissioner Moody will attend the Washington Public Utility Districts Association (WPUDA) meetings on March 19 – 21 in Olympia.

Commissioner Rick will attend the WPUDA meetings on March 19 – 21 in Olympia and a Tri-County Economic Development District meeting on March 26 in Colville.

- Pre-Approval of Commissioner Travel or Meeting Attendance for April. Discussion was held. A motion was made by Commissioner Moody and seconded by Commissioner Rick to approve the Commissioner Travel or Meeting Attendance for April. 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 meeting is Tuesday, April 1, 2025, starting at 8:30 a.m., in the Newport Conference Room, in Newport and via Microsoft Teams. He adjourned the meeting at 10:59 a.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form