



*Clark  
Public  
Utilities*



2 0 2 4   A N N U A L   R E P O R T



# About Us

Clark Public Utilities is a customer-owned public utility district that provides electric and water service in Clark County, Washington. The utility is a municipal corporation organized under laws of the state of Washington. It was formed by a vote of the people in 1938. The utility consists of three separate operating systems: electric, generating and water.

The utility is governed by a three-member elected board of commissioners. Each member serves a six-year term with one of the positions open every two years.





# Highlights

2024

2023

## ELECTRIC SYSTEM

Customers (year end)	239,896	235,481
Total operating revenue	\$499,494,000	457,627,000
Electricity sales (megawatt hours)	5,610,947	5,370,775
Peak demand (megawatts)	1,144	1,032
Net income (loss)	\$1,008,000	\$1,431,000
Employees (year end)	414	398

## GENERATING SYSTEM

Total operating revenue	\$108,480,000	\$94,692,000
Electricity generation (megawatt hours)	1,561,663	1,828,598
Displacement (megawatt hours)	-	-
Employees (year end)	1	1

## WATER SYSTEM

Customers (year end)	41,402	40,645
Total operating revenue	\$23,350,000	\$21,431,000
Water sales (cubic feet)	659,385,000	679,161,000
Peak 24-hour demand (gallons)	32,583,000	34,060,000
Net income (loss)	\$2,518,000	\$2,591,000
Employees (year end)	31	28

# COMMISSIONERS



**Nancy E. Barnes**  
First elected 1992, term ends 2028



**Jim Malinowski**  
First elected 2012, term ends 2024



**Jane Van Dyke**  
Elected 2014, term ends 2026

# SENIOR LEADERSHIP TEAM



**Steve Andersen**  
Director of Energy Resources



**Margaret Anderson**  
Executive Assistant to the  
CEO and Commission



**Melissa Ankeny**  
Director of Finance/Treasurer



**John Eldridge**  
General Counsel



**Erica Erland**  
Director of Communications



**Lisa Fix**  
Director of Customer Service



**Jeff Groff**  
Director of Information  
Services



**Cal Morris**  
Director of Engineering



**Gene Morris**  
Director of Electric  
& Water Operations



**Nichole Reitzenstein**  
Director of Employee  
Resources



# A message from our CEO

A year that stormed in from the start, 2024 began with an historic winter weather event over the Martin Luther King, Jr. holiday weekend, setting peak load records and pushing regional energy systems to near capacity. Close collaboration across northwest states and between electric, gas and transmission systems prevented regional outage impacts beyond weather-related damage, but dramatic pricing excursions and supply constraints required swift action to preserve reliability.

Budget planning for 2024 forecasted a required rate change, slated to be the first increase to electric rates since 2011, and the January storm and associated power supply costs only heightened the urgency with the board of commissioners approving an average increase of 14 percent for residential, commercial and

industrial customers. New rates became effective in March of 2024, providing the required revenue to meet power supply, operational and debt service obligations while preserving financial reserves.

Planning for an adequate power supply remained a focus over the course of the year, as the region's utilities worked to meet rapidly changing conditions. As part of our planning, the utility's commissioners voted to transition to a different type of contract with the Bonneville Power Administration beginning in October of 2025. Under the contract, BPA will serve our hourly load net of our own resources. We expect this change will provide increased rate stability along with a more secure power supply to serve customers through fluctuating load requirements and extreme weather events.

The utility introduced residential and industrial pilot programs to test voluntary approaches and measure potential for peak load reduction through customer coordination. Residential customers with Level 2 electric vehicle chargers were invited to participate in a managed charging pilot program to shift EV charging load to off-peak times. And industrial customers were provided incentives to participate in a peak-load reduction pilot program with an agreement to decrease electric use if called upon. Both programs were designed to provide insight ahead of full deployment of advanced metering, which will allow customers the option of participating in future system-wide demand response and load shifting programs.

As 2024 came to an end, so did the term in office for Commissioner Jim Malinowski, who retired after serving on the board for 12 years. We thank him for his many contributions. In the November election, Sherry Erickson was selected by Clark County voters to fill the open seat in January 2025.

During a period of increased economic uncertainty, Clark Public Utilities customers remained highly satisfied with the value and quality of electric and water services. Even as price sensitivity persisted through the spring rate change, customer feedback focused on the utility's unwavering commitment to system reliability and consistently excellent customer service.

Lena Wittler  
CEO/General Manager



## Report of Independent Auditors

The Board of Commissioners  
Public Utility District No. 1 of Clark County  
Vancouver, Washington

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying individual and combined financial statements of Public Utility District No. 1 of Clark County's Electric System, Generating System, and Water System (the District), which comprise the statements of net position as of December 31, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the combined statement of net position as of December 31, 2023, and the related combined statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying individual and combined financial statements present fairly, in all material respects, the financial position of Public Utility District No. 1 of Clark County's Electric System, Generating System, and Water System as of December 31, 2024, and the results of its individual and combined operations and cash flows for the year then ended, and the combined statement of net position as of December 31, 2023, and the related combined statements of revenues, expenses, and changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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## **Other Matter**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the accompanying management discussion and analysis, schedule of the District's proportionate share of the net pension liability, the schedule of District contributions and the schedule of changes in total OPEB liability and related ratios be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the bonds maturity schedule and selected financial data and statistics, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Portland, Oregon  
May 13, 2025



# Management Discussion and Analysis

This discussion and analysis is designed to provide an overview of Clark Public Utilities’ financial activities for the year ended December 31, 2024, with comparable information for 2023 and 2022. This supplementary information should be read in conjunction with the District’s financial statements.

Clark Public Utilities is a municipal corporation incorporated in 1938 to serve the citizens of Clark County, Washington. The District is governed by an elected independent three-member board of commissioners. The District manages and operates three separate utility systems: Electric, Generating, and Water.

## Electric System

The Electric System serves all of Clark County, an area of approximately 667 square miles. Power supplies are provided through a combination of power supply contracts and purchases from the Generating System. Weather, customer growth and economic conditions are the primary influences on electricity sales. Generally, extreme temperatures result in higher sales to residential customers, who use electricity for heating and cooling, while moderate temperatures cause reduced sales.

### Financial Summary and Analysis

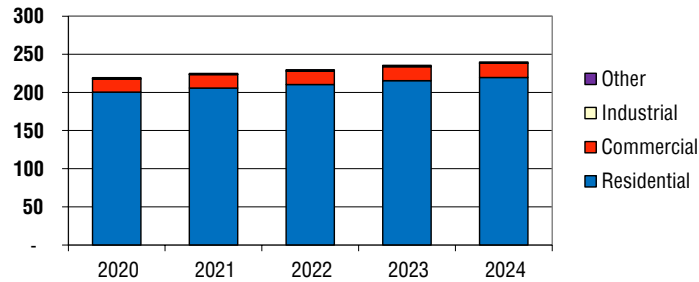
During 2024, the Electric System realized a net income before contributions of \$1.0 million. Factors influencing these results in 2024 include:

- Sales revenues increased from \$446.6 million in 2023 to \$486.6 million in 2024 or 8.9 percent.
- Other operating revenues increased from \$11.0 million in 2023 to \$12.9 million in 2024 or 17.6 percent.
- Power supply expenses increased from \$322.4 million in 2023 to \$352.5 million in 2024 or 9.3 percent.
- Operating and maintenance expenses increased from \$68.4 million in 2023 to \$75.1 million in 2024 or 9.7 percent.
- The River Road Generating Plant was shut down for annual maintenance for 2,206 hours in 2024, compared to 1,199 hours in 2023.
- The Board of Commissioners increased regulatory revenues \$4 million to be used in February 2025.

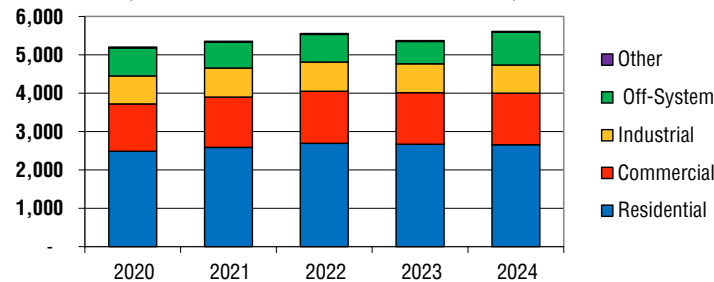
### System Rates

The Board of Commissioners adopted new rates for all customer classes effective March 1, 2024.

**Electric System Customers**  
(by customer class in thousands)



**Electric System Sales**  
(by customer class in millions of kilowatt-hours)



## Electric System (continued)

### Power Supply

For 2024, the Electric System had contracts with Bonneville Power Administration (BPA), the Generating System, Eurus Combine Hills II LLC, Eurus Combine Hills I LLC, the Packwood Hydroelectric Project and other power suppliers to provide the Electric System's power resources. The Electric System purchases about 49 percent of the energy requirements from BPA. Beginning October 1, 2011, the Electric System began taking deliveries under a Slice/Block product from BPA's federal power system. This contract expires September 2028. The BPA energy is a renewable hydropower resource. The contract provides for capacity and energy for the Electric System's load needs and requires hourly management of loads and resources. The rates charged by BPA under the contract are subject to periodic adjustments based on BPA's sales, revenue, and financial requirements.

### Selected Financial Data

(in thousands)	2024	2023	2022
Operating revenues	\$ 499,494	\$ 457,627	\$ 446,017
Operating expenses	495,403	454,812	417,818
Operating income	4,091	2,815	28,199
Net income before contributions	1,008	1,431	21,534
Contributions in aid of construction	3,224	3,453	2,274
<b>Total assets</b>	<b>\$ 975,372</b>	<b>\$ 891,090</b>	<b>\$ 929,727</b>
Total deferred outflows of resources	16,112	13,030	14,419
<b>Total assets and deferred outflows of resources</b>	<b>\$ 991,484</b>	<b>\$ 904,120</b>	<b>\$ 944,146</b>
<b>Total liabilities</b>	<b>\$ 449,494</b>	<b>\$ 362,067</b>	<b>\$ 390,916</b>
Deferred inflows of resources	106,766	111,061	127,122
<b>Net investment in capital assets</b>	<b>\$ 231,579</b>	<b>\$ 216,553</b>	<b>\$ 230,917</b>
Restricted	34,393	33,772	33,109
Unrestricted	169,252	180,667	162,082
<b>Total net position</b>	<b>\$ 435,224</b>	<b>\$ 430,992</b>	<b>\$ 426,108</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 991,484</b>	<b>\$ 904,120</b>	<b>\$ 944,146</b>
<b>Change in net position</b>	<b>\$ 4,232</b>	<b>\$ 4,884</b>	<b>\$ 23,808</b>

### Capital Asset and Long-term Debt Activity

Total gross utility plant in service as of December 31, 2024, 2023 and 2022 consisted of the following:

(in thousands)	2024	2023	2022
Intangible plant	\$ 65,176	\$ 61,720	\$ 52,862
SBITA asset	683	683	-
Transmission and distribution	1,007,938	965,557	928,409
General plant	101,241	97,659	94,332
<b>Total utility plant in service</b>	<b>1,175,038</b>	<b>1,125,619</b>	<b>1,075,603</b>
Construction work in progress	19,186	18,080	16,910
<b>Total gross utility plant</b>	<b>\$ 1,194,224</b>	<b>\$ 1,143,699</b>	<b>\$ 1,092,513</b>

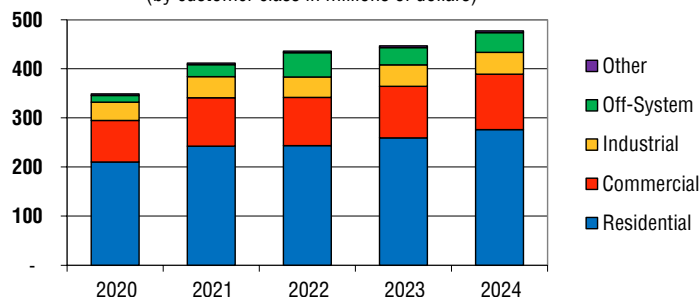
In 2024, the Electric System investment in gross utility plant increased by \$50.5 million. As of year-end, the Electric System had \$1.2 billion invested in gross utility plant. Utility plant net of depreciation was \$485.6 million, which represents an increase of \$11.1 million over 2023. Funds for capital construction are provided for through a combination of construction fees, cash flow from revenues and long-term revenue bonds.

Total liabilities as of December 31, 2024, 2023 and 2022 consisted of the following:

(in thousands)	2024	2023	2022
Total current liabilities	\$ 107,732	\$ 96,374	\$ 101,489
Total non-current liabilities	305,162	245,053	266,834
Total other liabilities	36,600	20,640	22,593
<b>Total liabilities</b>	<b>\$ 449,494</b>	<b>\$ 362,067</b>	<b>\$ 390,916</b>

At year-end, the Electric System had \$291.4 million in revenue bonds outstanding, versus \$238.0 million last year.

**Electric System Revenues**  
(by customer class in millions of dollars)



## Generating System

The Generating System operates the River Road Generating Plant, a natural gas-fired combined-cycle combustion turbine. The plant is a key element of the Electric System's integrated resource plan, and has operated smoothly and efficiently since beginning commercial operation in 1997. Since March 1, 2000, the plant has been operated under contract by General Electric. The District's goal is to operate the plant in an efficient and environmentally friendly manner for the benefit of the utility's customer-owners. The Generating System is a contract resource obligation of the Electric System. Operating income was \$20.9 million and \$17.7 million in 2024 and 2023, respectively.

### Fuel Supply

The District's 2024 fuel requirements for the River Road Generating Plant were provided through a combination of short-term fuel purchases and financial commitments with counterparties. The River Road Generating Plant operations are balanced with the District's other power purchase contracts.

### Fuel Transportation

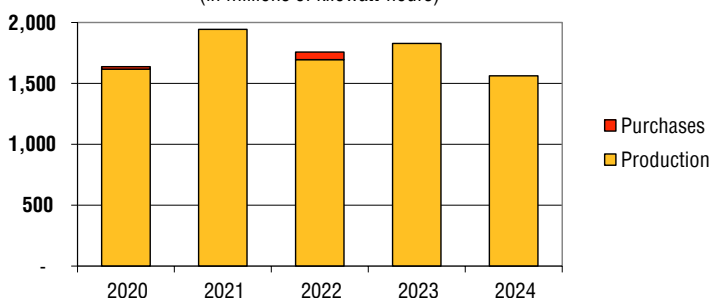
The District has agreements for natural gas transportation provided through a series of capacity releases on the Northwest Pipeline. The release agreements provide capacity sufficient to supply the River Road Generating Plant with 42,394 mmBtu per day.

### Operating Statistics

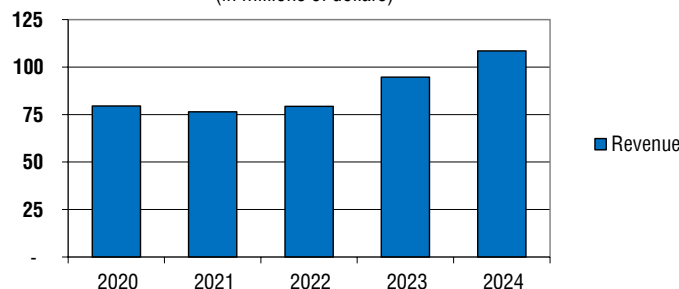
(in thousands, except hours and percentages)

	2024	2023	2022
Energy production (megawatt-hours)	1,562	1,829	1,696
Power purchased for displacement (mWh)	-	-	61
Total energy output (mWh)	1,562	1,829	1,757
Percent of Electric System energy purchases	27%	33%	30%
Fuel expense (less re-marketed fuel)	\$ 56,930	\$ 49,836	\$ 36,615
Production hours	6,578	7,561	7,024
Displacement hours	-	-	894
Unavailable hours	2,206	1,199	842
Total hours	8,784	8,760	8,760

**Generating System Output**  
(in millions of kilowatt-hours)



**Generating System Revenue**  
(in millions of dollars)



### Selected Financial Data

(in thousands)	2024	2023	2022
Operating revenues	\$ 108,480	\$ 94,692	\$ 79,300
Operating expenses	87,602	77,015	70,109
Operating income	20,878	17,677	9,191
Net income	17,908	14,138	4,390
Total assets	\$ 172,424	\$ 167,518	\$ 169,237
Total deferred outflows of resources	247	2,175	5,052
Total assets and deferred outflows of resources	<u>\$ 172,671</u>	<u>\$ 169,693</u>	<u>\$ 174,289</u>
Total liabilities	\$ 77,530	\$ 92,460	\$ 111,194
Net investment in capital assets	\$ 63,963	\$ 43,346	\$ 34,982
Restricted	9,897	9,897	9,897
Unrestricted	21,281	23,990	18,216
Total net position	<u>\$ 95,141</u>	<u>\$ 77,233</u>	<u>\$ 63,095</u>
Total liabilities and net position	<u>\$ 172,671</u>	<u>\$ 169,693</u>	<u>\$ 174,289</u>
Change in net position	\$ 17,908	\$ 14,138	\$ 4,390

### Capital Asset and Long-term Debt Activity

In 2024, the Generating System investment in gross utility plant increased by \$21.5 million in capital construction. As of year-end, the Generating System had \$371.7 million invested in gross utility plant. Utility plant net of depreciation was \$137.1 million, which represented an increase of \$9.2 million from 2023. Funds for capital construction are provided for through long-term revenue bonds, line of credit, and transfers from the Electric System.

Total gross utility plant in service as of December 31, 2024, 2023 and 2022 consisted of the following:

(in thousands)	2024	2023	2022
Intangible plant	\$ 1,394	\$ 1,394	\$ 1,394
Source of supply	20	20	20
Pumping plant	170	170	170
Water treatment	697	697	697
Production plant	323,963	303,834	282,748
Transmission and distribution	18,261	18,261	18,261
General plant	11,924	11,230	9,229
Allowance for funds used	8,316	8,316	8,316
Total utility plant in service	\$ 364,745	\$ 343,922	\$ 320,835
Construction work in progress	6,954	6,296	1,056
Total gross utility plant	<u>\$ 371,699</u>	<u>\$ 350,218</u>	<u>\$ 321,891</u>

In 2024, \$11.2 million of Generating System capital expenditures was funded by regulatory revenue of the Electric System and is included as an Electric System power supply expense.

Total liabilities as of December 31, 2024, 2023 and 2022 consisted of the following:

(in thousands)	2024	2023	2022
Total current liabilities	\$ 23,606	\$ 26,123	\$ 20,429
Total non-current liabilities	53,924	66,337	90,765
Total liabilities	<u>\$ 77,530</u>	<u>\$ 92,460</u>	<u>\$ 111,194</u>

At year-end, the Generating System had \$61.4 million in revenue bonds outstanding versus \$84.1 million last year.



## Water System

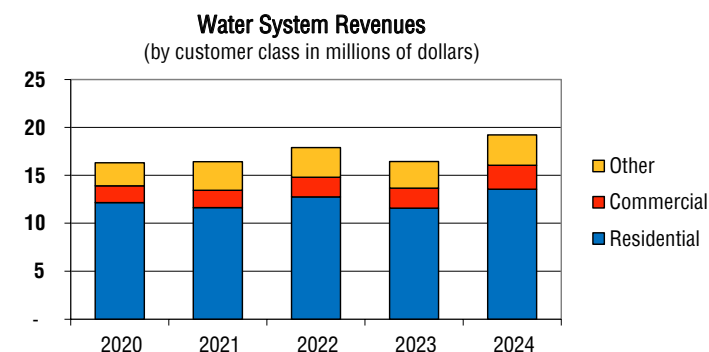
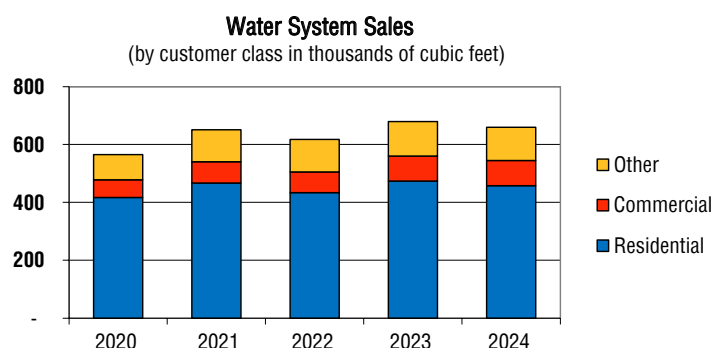
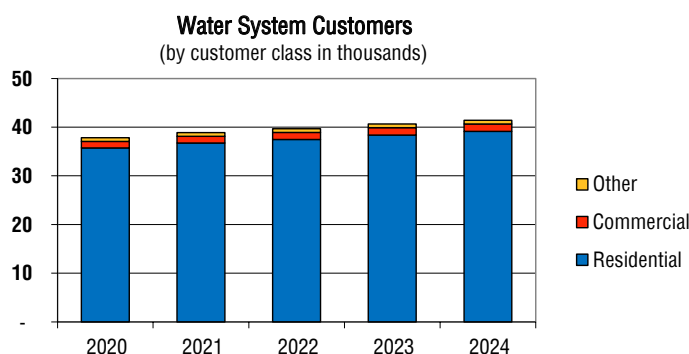
The Water System serves suburban and rural sections of Clark County, using groundwater to meet customer needs. The Water System owns and operates 36 wells and 34 reservoirs. Weather and economic conditions are the primary influences on water sales. Generally, warm, dry weather results in higher sales to residential customers, while wet weather results in lower sales.

### Financial Summary and Analysis

The Water System operating revenue increased from 21.4 million in 2023 to 23.4 million in 2024 or 9.0%. The Water System realized a net income before contributions of \$2.5 million for 2024.

### System Rates

Water System rates remained unchanged during 2024.



### Selected Financial Data

(in thousands)	2024	2023	2022
Operating revenues	\$ 23,350	\$ 21,431	\$ 22,302
Operating expenses	20,080	18,397	18,515
Operating income	3,270	3,034	3,787
Net income (loss) before contributions	2,518	2,591	2,223
Contributions in aid of construction	3,817	4,108	3,839
<b>Total assets</b>	<b>\$ 252,742</b>	<b>\$ 251,574</b>	<b>\$ 217,630</b>
Total deferred outflows of resources	1,393	1,074	1,118
<b>Total assets and deferred outflows of resources</b>	<b>\$ 254,135</b>	<b>\$ 252,648</b>	<b>\$ 218,748</b>
<b>Total liabilities</b>	<b>\$ 105,829</b>	<b>\$ 111,026</b>	<b>\$ 87,803</b>
Deferred inflows of resources	10,705	10,356	6,378
<b>Net investment in capital assets</b>	<b>\$ 103,584</b>	<b>\$ 100,986</b>	<b>\$ 98,868</b>
Restricted	8,343	8,559	6,427
Unrestricted	25,674	21,721	19,272
<b>Total net position</b>	<b>\$ 137,601</b>	<b>\$ 131,266</b>	<b>\$ 124,567</b>
<b>Total liabilities and net position</b>	<b>\$ 254,135</b>	<b>\$ 252,648</b>	<b>\$ 218,748</b>
<b>Change in net position</b>	<b>\$ 6,335</b>	<b>\$ 6,699</b>	<b>\$ 6,062</b>

### Capital Asset and Long-term Debt Activity

Total gross utility plant in service as of December 31, 2024, 2023 and 2022 consisted of the following:

(in thousands)	2024	2023	2022
Intangible plant	\$ 260	\$ 260	\$ 260
Source of supply	29,884	29,884	29,912
Pumping plant	20,948	20,004	19,756
Water treatment	5,789	5,789	5,789
Transmission and distribution	243,971	233,582	221,681
General plant	5,192	4,369	4,069
<b>Total utility plant in service</b>	<b>306,044</b>	<b>293,888</b>	<b>281,467</b>
Construction work in progress	16,003	8,675	9,004
<b>Total gross utility plant</b>	<b>\$ 322,047</b>	<b>\$ 302,563</b>	<b>\$ 290,471</b>

In 2024, the Water System investment in gross utility plant increased by \$19.5 million. As of year-end, the Water System had \$322.0 million invested in gross utility plant. Utility plant net of depreciation was \$192.4 million, which represented an increase of \$11.5 million over 2023. Funds for capital construction are provided for through a combination of construction fees, cash flow from revenues, long-term revenue bonds and long-term loans from the state of Washington.

Total liabilities as of December 31, 2024, 2023 and 2022 consisted of the following:

(in thousands)	2024	2023	2022
Total current liabilities	\$ 11,775	\$ 10,164	\$ 11,132
Total non-current liabilities	91,968	99,199	74,853
Total other liabilities	2,086	1,663	1,818
<b>Total liabilities</b>	<b>\$ 105,829</b>	<b>\$ 111,026</b>	<b>\$ 87,803</b>

At year-end, the Water System had \$83.0 million in revenue bonds outstanding, versus \$87.6 million last year.

# Combined Statements of Revenues, Expenses and Changes in Net Position

Public Utility District No. 1 of Clark County

For the years ended December 31, 2024 and 2023 (in thousands)

	Electric System	Generating System	Water System	Total 2024	Total 2023
Operating revenues					
Sales	\$ 486,577	\$ 99,220	\$ 19,210	\$ 605,007	\$ 552,817
Other operating revenues	12,917	9,260	4,140	26,317	20,933
Total operating revenues	499,494	108,480	23,350	631,324	573,750
Operating expenses					
Power supply	352,471	-	-	352,471	322,350
Operation and maintenance expense	75,101	74,337	10,444	159,882	139,739
Depreciation and amortization expense	41,225	12,261	8,595	62,081	59,472
Taxes	26,606	1,004	1,041	28,651	28,663
Total operating expenses	495,403	87,602	20,080	603,085	550,224
Operating income	4,091	20,878	3,270	28,239	23,526
Non-operating revenues (expenses)					
Interest and investment revenue	10,832	1,381	2,389	14,602	16,066
Miscellaneous revenue	5,401	-	2	5,403	4,927
Amortization of debt	3,893	(1,076)	995	3,812	3,138
Interest expense	(11,816)	(3,275)	(4,138)	(19,229)	(19,167)
Miscellaneous expenses	(11,393)	-	-	(11,393)	(10,330)
Total non-operating revenues (expenses)	(3,083)	(2,970)	(752)	(6,805)	(5,366)
Net income (loss) before contributions	1,008	17,908	2,518	21,434	18,160
Contributions in aid of construction	3,224	-	3,817	7,041	7,561
Net increase (decrease) in net position	4,232	17,908	6,335	28,475	25,721
Total net position - beginning	430,992	77,233	131,266	639,491	613,770
Total net position - ending	\$ 435,224	\$ 95,141	\$ 137,601	\$ 667,966	\$ 639,491

The accompanying notes are an integral part of these combined financial statements.

# Combined Statements of Net Position

Public Utility District No. 1 of Clark County

For the years ended December 31, 2024 and 2023 (in thousands)

	Electric System	Generating System	Water System	Total 2024	Total 2023
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 355,806	\$ 33,609	\$ 56,884	\$ 446,299	\$ 406,009
Accounts receivable (net)	26,171	1,052	-	27,223	29,172
Accrued unbilled revenues	46,774	-	53	46,827	35,377
Materials and supplies	10,193	-	-	10,193	9,022
Prepayments and other assets	5,132	-	-	5,132	5,052
Total current assets	444,076	34,661	56,937	535,674	484,632
Utility plant:					
Plant in service	1,175,038	364,745	306,044	1,845,827	1,763,429
Construction work in progress	19,186	6,954	16,003	42,143	33,051
Total gross utility plant	1,194,224	371,699	322,047	1,887,970	1,796,480
Accumulated depreciation and amortization	(708,607)	(234,613)	(129,649)	(1,072,869)	(1,013,237)
Net utility plant	485,617	137,086	192,398	815,101	783,243
Regulatory and other assets	45,679	677	3,407	49,763	42,307
Total assets	975,372	172,424	252,742	1,400,538	1,310,182
Deferred outflows of resources	16,112	247	1,393	17,752	16,279
Total assets and deferred outflows	\$ 991,484	\$ 172,671	\$ 254,135	\$ 1,418,290	\$ 1,326,461

	Electric System	Generating System	Water System	Total 2024	Total 2023
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 45,663	\$ 1,035	\$ 3,451	\$ 50,149	\$ 40,829
Accrued taxes and interest	19,126	2,106	2,130	23,362	22,322
Other accrued liabilities	25,688	-	-	25,688	22,662
Current maturities long-term debt	17,255	20,465	6,194	43,914	46,848
Total current liabilities	107,732	23,606	11,775	143,113	132,661
Long-term debt:					
Revenue bonds	274,115	40,930	78,010	393,055	364,565
Unamortized premium and discount	31,047	3,944	7,786	42,777	38,633
Other long-term debt	-	9,050	6,172	15,222	7,391
Total long-term debt	305,162	53,924	91,968	451,054	410,589
Other liabilities	36,600	-	2,086	38,686	22,303
Total liabilities	449,494	77,530	105,829	632,853	565,553
Deferred inflows of resources	106,766	-	10,705	117,471	121,417
Net position					
Net investment in capital assets	231,579	63,963	103,584	399,126	360,885
Restricted for:					
Debt service reserve	24,963	9,897	7,518	42,378	38,875
Net pension asset	9,430	-	825	10,255	13,353
Unrestricted	169,252	21,281	25,674	216,207	226,378
Total net position	435,224	95,141	137,601	667,966	639,491
Total liabilities, deferred inflows and net position	\$ 991,484	\$ 172,671	\$ 254,135	\$ 1,418,290	\$ 1,326,461

The accompanying notes are an integral part of these combined financial statements.



# Combined Statements of Cash Flows

Public Utility District No. 1 of Clark County

For the years ended December 31, 2024 and 2023 (in thousands)

	Electric System	Generating System	Water System	Total 2024	Total 2023
Cash flows from operating activities:					
Receipts from customers	\$ 479,264	\$ 108,480	\$ 23,297	\$ 611,041	\$ 566,645
Payments to employees for services	(33,416)	-	-	(33,416)	(30,772)
Payments to suppliers for goods and services	(422,004)	(74,674)	(10,222)	(506,900)	(472,262)
Net cash from operating activities	23,844	33,806	13,075	70,725	63,611
Cash flows from investing activities:					
Utility plant additions, net of cost of removal and salvage	(49,137)	(21,480)	(16,283)	(86,900)	(86,616)
Interest received and other income (expense)	25,629	1,381	2,759	29,769	14,098
Net cash used by investing activities	(23,508)	(20,099)	(13,524)	(57,131)	(72,518)
Cash flows from capital financing activities:					
Borrowings from revenue bonds	108,635	-	-	108,635	39,540
Principal payments of revenue bonds	(55,270)	(22,690)	(4,555)	(82,515)	(48,460)
Other long-term debt	-	9,000	(1,733)	7,267	(1,683)
Acquisition of debt	12,150	-	478	12,628	2,343
Interest paid	(11,794)	(3,829)	(3,696)	(19,319)	(18,765)
Net cash from capital financing activities	53,721	(17,519)	(9,506)	26,696	(27,025)
Net increase (decrease) in cash and cash equivalents	54,057	(3,812)	(9,955)	40,290	(35,932)
Cash and cash equivalents at beginning of year	301,749	37,421	66,839	406,009	441,941
Cash and cash equivalents at end of year	\$ 355,806	\$ 33,609	\$ 56,884	\$ 446,299	\$ 406,009
Reconciliation of operating income to net cash from operating activities:					
Operating income	\$ 4,091	\$ 20,878	\$ 3,270	\$ 28,239	\$ 23,526
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization	41,225	12,261	8,595	62,081	59,472
Change in assets and liabilities:					
Accounts receivable (net)	(9,584)	18	3	(9,563)	8,908
Other assets	(13,117)	388	(45)	(12,774)	(3,090)
Accounts payable and other accrued liabilities	13,104	261	1,263	14,628	(8,321)
Regulatory and other liabilities	(11,875)	-	(11)	(11,886)	(16,884)
Net cash from operating activities	\$ 23,844	\$ 33,806	\$ 13,075	\$ 70,725	\$ 63,611

## Supplemental disclosure of cash flow information

Non-cash capital and related financing and investing activities:

Contributions in aid of construction of \$7,041 and \$7,561 in 2024 and 2023 respectively.

The accompanying notes are an integral part of these combined financial statements.

# Notes to Combined Financial Statements

The following notes are an integral part of the accompanying combined financial statements.

## Note 1:

### Summary of Operations and Significant Accounting Policies

Public Utility District No. 1 of Clark County, Washington (the District) is a municipal corporation owned by the people it serves and is operated for their benefit. The District is comprised of three operating utilities: the Electric, Generating and Water systems. Each operating utility system is physically and financially independent of the others. Electric and water rates are set by the District's elected commissioners.

The District has adopted accounting policies and practices that are in accordance with generally accepted accounting principles for regulated public utilities in the United States. A summary of the significant accounting policies follows:

a) Combined Financial Statements: The financial statements reflect the separate and combined utility operations of the District. The statements do not reflect elimination of transactions among the utilities.

b) Accounting Basis: The financial statements are prepared using the accrual basis of accounting for enterprise funds in conformity with Generally Accepted Accounting Principles (GAAP). The District uses as guidance Governmental Accounting Standards Board (GASB) pronouncements. In addition, the District's accounts are maintained in accordance with the Federal Energy Regulatory Commission's Uniform System of Accounts.

c) Revenue Recognition and Allowance for Doubtful Accounts: The District recognizes revenues as earned. Electric System customers are billed monthly, and as of November 30, 2024 all Water System customers are billed monthly. The District offers a program that averages customers' annual utility bills into equal monthly payments. The payments received in advance are offset as a credit against accounts receivable. It is the policy of the Electric System to purchase the receivables from the Water System. The allowance for doubtful accounts is provided entirely by the Electric System. The balance was \$5.8 million and \$5.6 million as of December 31, 2024 and 2023, respectively.

d) Utility Plant: Utility plant assets are stated at cost. Capital assets are tangible and intangible assets owned by the District and have initial useful lives extending beyond a single reporting period. Assets are classified by asset groups and useful lives are valued at industry norms. Management periodically reviews the carrying amounts of its long-lived assets for impairment. Depreciation is calculated on the straight-line method over the estimated useful life of the asset class. Depreciation rates are used for asset groups, and accordingly, no gain or loss is recorded on the disposition of an asset unless it represents a major retirement. The costs of maintenance and repairs are charged to operations as incurred.

e) Regulated Operations: The board of commissioners establishes rates to be charged for services delivered by the District. The established rates recover the costs of providing services to the customers of the District. The District follows industry accounting and capitalization principles for regulated operations. Regulatory assets and deferred inflows of resources are recorded when it is probable that future rates or rate reductions will permit recovery. (See Note 6.)

f) Sinking Funds: Certain bond issues and related agreements require the District to establish separate sinking fund accounts. The assets in these funds are restricted for specific uses, including debt service and other reserve requirements. (See Notes 7 and 10.)

g) Materials and Supplies: Materials and supplies inventories are stated at the lower of cost or market determined on the average cost basis.

h) Compensated Absences: In June 2022, GASB issued Statement No. 101, Compensated Absences, for fiscal years beginning after December 15, 2023. The statement establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits. A compensated absence is leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. This statement requires that leave that has not yet been used or not yet paid out to be recognized as a liability and also provides guidance on measuring the total liability for leave not yet used. Certain types of compensated absences such as parental leave, jury duty leave and military leave are not recognized as liabilities until the leave commences. The District was already accounting for compensated absences but has made adjustments to align with the statement. The compensated absences balance was \$25.3 million and \$22.3 million as of December 31, 2024 and 2023, respectively.

i) Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specific estimates include allowance for doubtful accounts, unbilled revenue, depreciation, net pension liability and other postemployment benefit liability. Actual results could differ from those estimates.

j) Reclassifications: Certain account balances have been classified in a manner different from the preceding year to provide comparability of the combined financial statements.

# Notes to Combined Financial Statements

## Note 2:

### Purchased Power Contracts

Power supply is acquired from the River Road Generating Plant and a combination of power purchase contracts. The District is a preference customer of the Bonneville Power Administration (BPA), an agency of the United States Department of Energy. BPA provided 49 percent of the District's power supply in 2024, with the remainder produced by the River Road Generating Plant, the Eurus Combine Hills II Project, the Eurus Combine Hills I Project, the Packwood Hydroelectric Project and market power purchases.

The Electric System executes physical transactions for the procurement of natural gas and power. Forward contracts are used to lock in price and firm the physical supply of energy products to match and cover energy loads. Purchased power and natural gas procurement are guided by the principles established in a formal power supply risk management policy.

#### a) BPA Contracts

Effective October 2011, the District began taking deliveries under the Slice/Block power sales contract with BPA. The BPA contract incorporates details of the District's purchase of the Slice/Block product from the Federal power system and expires September 2028. This contract provides for capacity and energy for the District's load needs and requires hourly management of loads and resources.

The District also has an executed contract for Network Transmission (NT) with BPA from October 2001 through September 2031. The NT agreement is used to deliver resources, power sales contracts and market purchases to serve the District's energy load.

Residential Exchange Program: During 1980, Congress enacted the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act). The Act authorizes Northwest utilities to exchange their generally higher-cost power serving residential and small farm customers for an equivalent amount of energy from BPA. During 2011, the District signed a Revised Residential Exchange Settlement Agreement with BPA settling the methodology for the calculation of future benefits. The revised agreement took effect October 1, 2011. The District received no Residential Exchange Program credits from BPA in 2024 or 2023.

#### b) River Road Generating Plant

The natural gas-fired generating plant produces electric energy to serve the Electric System, which purchases 100 percent of the output at cost. The plant was shut down for 2,206 hours in 2024 and 1,199 hours in 2023 for maintenance or economic displacement.

#### c) Combine Hills II LLC Wind Power Agreement

To meet the requirements of Initiative 937, the Washington Energy Independence Act, the District entered into a power purchase power arrangement in 2009 with Eurus Combine Hills II LLC. Under the agreement, the District purchases the entire output of a 63-megawatt nameplate capacity wind project for a 20-year term beginning in January 2010. The project began commercial operation in January 2010. During 2024, output from the project was brought to serve utility load through April. In May through December 2024 project output was sold into the market.

#### d) Combine Hills I LLC Wind Power Agreement

To meet the requirements of Initiative 937, the Washington Energy Independence Act, the District entered into a power purchase power arrangement in 2024 with Eurus Combine Hills I LLC. Under the agreement, the District purchases the entire output of a 41-megawatt nameplate capacity wind project for a six-year term beginning in February 2024. The project began commercial operation in January 2006 and was sold to another counterparty through January 2024. During 2024, output from the project was brought to serve utility load.

#### e) Services

Beginning October 1, 2011, the District entered into an agreement with The Energy Authority (TEA) to provide trading, scheduling, settlements, hedging and forecasting services for all loads and resources for the District's power supply requirements. TEA also has provided scheduling services for Combine Hills II since April 1, 2016 and for Combine Hills I since February 1, 2024.

#### f) Energy Northwest

Packwood Hydroelectric Project: Under the terms of a long-term contract with Energy Northwest, the District received 18 percent of the capability of the Packwood project to serve its energy load needs. The Packwood project is a 27.5-megawatt hydroelectric project, and the District is obligated to pay 18 percent of the project's annual costs.

Washington Nuclear Projects (WNP) 1, 2 and 3: The District signed "net-billing agreements" with Energy Northwest and BPA. Under terms of these agreements, the District agreed to purchase a maximum of 14 percent and 6 percent of the capability of WNP-1 and WNP-2 and 14 percent of Energy Northwest's 70 percent ownership share of WNP-3, respectively. The District contractually transferred this capability to BPA. Through the transfer, BPA is obligated to pay the District and the District is obligated to pay Energy Northwest a pro rata share of the total annual costs of each project, including debt service on revenue bonds issued to finance the projects, whether or not the projects are completed, operable, or operating and notwithstanding the suspension, reduction, or curtailment of the projects' output.

#### Natural Gas Procurement

Natural gas to supply the River Road Generating Plant is provided by purchases from various counterparties. The agreements secure financial commitments and contracts to procure physical natural gas deliveries and mitigate delivery risk.

**a) Natural Gas Management:** The Electric System has an agreement with Shell Energy (US) LP for fuel, power and heat rate services. Services provided by this contract include re-marketing of surplus natural gas and gas transportation and purchasing natural gas as directed by the District. This contract provides for annual renewals each year after September 2016 at each party's option. In 2024, both parties exercised their option for renewal through September 2025.

**b) Natural Gas Transportation:** Agreements for natural gas transportation are provided through a series of capacity releases on the Northwest Pipeline. The release agreements provide capacity sufficient to supply River Road Generating Plant with 42,394 mmBtu per day through October 2025 and 40,394 mmBtu per day from November 2025 through October 2030.

#### Power Supply Costs

For the years ended December 31  
(in thousands)

	2024	2023
Bonneville Power Administration	\$ 95,240	\$ 89,410
From Generating System	99,220	89,741
Packwood	647	609
Market purchases	97,517	97,714
Wind	17,877	12,536
Transmission	31,733	27,157
Other production expense	10,237	5,183
Total power supply costs	\$ 352,471	\$ 322,350
Average power cost in mills/kWh	60.91	57.69



# Notes to Combined Financial Statements

## Note 3:

### Litigation

As a result of operations, the District may be involved in litigation. It is the District's policy to defend itself or pursue claims determined to be in the best interests of the District's customers. The District believes the various litigation positions in the cases have merit; however, is not able to predict the outcome of any of the unresolved litigation and the effect, if any. The District does not believe that any of the current litigation will have a material effect on the reported financial position.

## Note 4:

### Utility Plant

Utility plant in service as of December 31, 2024 and 2023 consisted of the following:

#### Electric System

(in thousands)	Balance Dec. 31, 2023	Additions/ Reclassifications	Retirements/ Reclassifications	Balance Dec. 31, 2024
Intangible plant	\$ 61,720	\$ 3,456	\$ -	\$ 65,176
SBITA asset (Note 12)	683	-	-	683
Trans and distribution	965,557	44,056	1,675	1,007,938
General plant	97,659	4,329	747	101,241
Total plant in service	\$1,125,619	\$ 51,841	\$ 2,422	\$1,175,038

#### Generating System

(in thousands)	Balance Dec. 31, 2023	Additions/ Reclassifications	Retirements/ Reclassifications	Balance Dec. 31, 2024
Intangible plant	\$ 1,394	\$ -	\$ -	\$ 1,394
Source of supply	20	-	-	20
Pumping plant	170	-	-	170
Water treatment	697	-	-	697
Production plant	303,834	20,129	-	323,963
Trans and distribution	18,261	-	-	18,261
General plant	11,230	694	-	11,924
Allowance for funds used	8,316	-	-	8,316
Total plant in service	\$ 343,922	\$ 20,823	\$ -	\$ 364,745

#### Water System

(in thousands)	Balance Dec. 31, 2023	Additions/ Reclassifications	Retirements/ Reclassifications	Balance Dec. 31, 2024
Intangible plant	\$ 260	\$ -	\$ -	\$ 260
Source of supply	29,884	-	-	29,884
Pumping plant	20,004	944	-	20,948
Water treatment	5,789	-	-	5,789
Trans and distribution	233,582	10,516	127	243,971
General plant	4,369	1,320	497	5,192
Total plant in service	\$ 293,888	\$ 12,780	\$ 624	\$ 306,044

## Note 5:

### Other Assets and Liabilities

#### Other Assets

Other assets as of December 31, 2024 and 2023 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31 2024	2023
Non-current conservation loans (Note 11)	\$ 984	\$ -	\$ -	\$ 984	\$ 1,665
Net pension asset	9,430	-	825	10,255	13,353
Total	\$ 10,414	\$ -	\$ 825	\$ 11,239	\$ 15,018

#### Other Liabilities

Other liabilities as of December 31, 2024 and 2023 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31 2024	2023
Net pension liability	\$ 3,934	\$ -	\$ 344	\$ 4,278	\$ 5,794
OPEB liability	14,538	-	1,264	15,802	14,800
SBITA liability (Note 12)	367	-	-	367	501
CCA allowance proceeds	16,954	-	-	16,954	-
Operation Warm Heart	767	-	-	767	914
Other	40	-	478	518	294
Total	\$ 36,600	\$ -	\$ 2,086	\$ 38,686	\$ 22,303

Net pension liability and net pension asset represent the District's portion of the calculated present value of projected benefit payments to be provided to active and inactive employees that is attributed to past periods of employee service, less the pension plan's fiduciary net position. (See Note 8: Pension Plans.)

OPEB liability represents an actuarial measurement of the future cost of healthcare benefits to be received by retirees, attributable to those employees' past periods of services defined under GASB Statement No. 75. (See Note 1 and 8: OPEB.)

The District through the Operation Warm Heart program solicits donations from customers to provide payment assistance for qualified customers.

The District sold allowances received as part of Washington state's Climate Commitment Act (CCA). The proceeds of these sales made at auction are designated for specific purposes outlined in the act, which have not been determined as of year-end. The criteria for recognition as revenue will be met in future periods.

# Notes to Combined Financial Statements

## Note 6:

### Deferred Outflows and Inflows of Resources

The board of commissioners has taken various actions that result in the recognition of revenues and expenses for ratemaking purposes. These actions result in regulatory assets, deferred outflows of resources, and deferred inflows of resources, which are summarized in the tables below. Changes in their balances, and their inclusion in rates, occur only at the direction of the board.

#### Regulatory Assets

Regulatory assets as of December 31, 2024 and 2023 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2024	2023
Reg power exp	\$ 12,786	\$ 387	\$ -	\$ 13,173	\$ 775
Reg OPEB exp	16,898	-	1,469	18,367	18,000
Reg pension exp	3,679	-	322	4,001	5,689
Reg unamortized debt exp	1,902	290	791	2,983	2,825
Total	\$ 35,265	\$ 677	\$ 2,582	\$ 38,524	\$ 27,289

Regulatory OPEB expense represents a portion of the change in net OPEB items, as defined under GASB Statement No. 75. Regulatory accounting is used to recognize OPEB expense. (See Notes 1 and 8: OPEB.)

Regulatory pension expense represents the District's portion of the change in pension items, as defined under GASB Statement No. 68 and GASB Statement No. 71. Regulatory accounting is used to recognize pension expense in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

Regulatory unamortized debt expense represents fees and expenses associated with the issuance of revenue bonds. These costs are amortized over the life of the remaining bonds and recognized as expenses in future rate periods.

#### Deferred Outflows of Resources

Deferred outflows of resources as of December 31, 2024 and 2023 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2024	2023
Unamortized loss on reacquired debt	\$ 186	\$ 247	\$ -	\$ 433	\$ 2,507
OPEB costs	2,395	-	208	2,603	2,519
Pension costs	13,531	-	1,185	14,716	11,253
Total	\$ 16,112	\$ 247	\$ 1,393	\$ 17,752	\$ 16,279

The loss on reacquired debt represents unamortized components associated with revenue refunding bonds. These costs are amortized over the shorter of the remaining term of the refunded bonds or the term of the refunding bonds.

OPEB costs represent a portion of the change in net OPEB items, as defined under GASB Statement No. 75. Regulatory accounting is used to recognize OPEB expense. (See Note 1 and 8: OPEB.)

Pension costs represent a portion of the change in net pension items, as defined under GASB Statement No. 68. Regulatory accounting is used to recognize pension expense in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

#### Deferred Inflows of Resources

Deferred inflows of resources as of December 31, 2024 and 2023 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2024	2023
Reg revenue	\$ 76,967	\$ -	\$ 7,755	\$ 84,722	\$ 90,585
Reg liability	18,971	-	1,660	20,631	17,205
Unamortized gain on reacquired debt	2,339	-	549	2,888	611
OPEB costs	4,755	-	414	5,169	5,720
Pension costs	3,734	-	327	4,061	7,296
Total	\$ 106,766	\$ -	\$ 10,705	\$ 117,471	\$ 121,417

During 2024, Electric System regulatory revenues were applied to fund \$2.5 million for Generating System capital expenditures, \$8.7 million for the Generating System Flex Product capital expenditures, \$2.0 million for extreme weather power supply expense, \$107,000 for senior rate credits, and \$50,000 for Clark County energy repair programs. At year-end 2024, the Board of Commissioners increased regulatory revenue \$4.0 million in the Electric System to be used in future rate periods.

Regulatory pension liability represents the District's portion of the change in pension items, as defined under GASB Statement No. 68 and GASB Statement No. 71. Regulatory accounting is used to recognize pension credits in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

The unamortized gain on reacquired debt represents unamortized amounts associated with revenue refunding bonds which are amortized over the shorter of the remaining term of the refunded bonds or the term of the refunding bonds.

OPEB costs represent a portion of the change in net OPEB items, as defined under GASB Statement No. 75. Regulatory accounting is used to recognize OPEB expense. (See Note 1 and 8: OPEB.)

Pension costs represent a portion of the change in net pension items, as defined under GASB Statement No. 68. Regulatory accounting is used to recognize pension expense in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

# Notes to Combined Financial Statements

## Note 7:

### Current and Long-term Debt

#### Electric System

During the year ended December 31, 2024, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2023	Additions	Reductions	Balance Dec 31, 2024	Amounts due within one year
<b>2012 Revenue and Refunding Bonds</b> Due in an installment of \$1,660 on January 1, 2025; interest at 5.00%.	\$ 22,450	\$ -	\$ 20,790	\$ 1,660	\$ 1,660
<b>2014 Revenue and Refunding Bonds</b> Due in an installment of \$3,220 on January 1, 2025; interest at 5.00%.	25,910	-	22,690	3,220	3,220
<b>2016 Revenue and Refunding Bonds</b> Due in annual installments of \$2,220 - \$8,715 through January 1, 2037; interest at 5.00%.	67,720	-	7,525	60,195	7,900
<b>2018 Revenue Bonds</b> Due in annual installments of \$1,375 - \$2,720 through January 1, 2039; interest at 5.00%.	30,980	-	1,310	29,670	1,375
<b>2020 Revenue Bonds</b> Due in annual installments of \$1,420 - \$3,100 through January 1, 2041; interest at 5.00%.	38,075	-	1,355	36,720	1,420
<b>2022 Revenue Bonds</b> Due in annual installments of \$1,680 - \$4,040 through January 1, 2043; interest at 5.00%.	52,870	-	1,600	51,270	1,680
<b>2024 Revenue Bonds</b> Due in annual installments of \$3,690 - \$7,275 through January 1, 2045; interest at 5.00%.	-	108,635	-	108,635	-
<b>Total Electric System Revenue Bonds</b>	<b>\$ 238,005</b>	<b>\$ 108,635</b>	<b>\$ 55,270</b>	<b>\$ 291,370</b>	<b>\$ 17,255</b>

During 2024, the District issued Electric System Revenue and Refunding Bonds, Series 2024 in the amount of \$108.6 million. The bonds provided funds for capital construction requirements, refunded a portion of the District's outstanding Series 2012 and 2014 Electric System Revenue and Refunding Bonds, and funded the reserve account requirements for the 2024 issuance. The refunding of the 2012 and 2014 bond series resulted in a positive net present value savings of \$2.4 million. They mature serially in varying amounts and are subject to early redemption privileges.



## Notes to Combined Financial Statements

### Generating System

During the year ended December 31, 2024, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2023	Additions	Reductions	Balance Dec 31, 2024	Amounts due within one year
<b>2012A Revenue and Refunding Bonds</b> Due in an installment of \$11,265 on January 1, 2025; interest at 5.00%.	\$ 11,265	\$ -	\$ -	\$ 11,265	\$ 11,265
<b>2012B Revenue Bonds</b> Due in an installment of \$1,470 on January 1, 2025; interest at 3.293%.	2,895	-	1,425	1,470	1,470
<b>2016 Revenue and Refunding Bonds</b> Due in annual installments of \$1,000 - \$1,745 through January 1, 2037; interest at 5.00%.	32,120	-	14,870	17,250	1,020
<b>2018 Revenue Bonds</b> Due in annual installments of \$3,000 - \$3,150 through January 1, 2026; interest at 5.00%.	9,010	-	2,860	6,150	3,000
<b>2022 Revenue Bonds</b> Due in annual installments of \$3,710 - \$4,740 through January 1, 2030; interest at 5.00%.	28,795	-	3,535	25,260	3,710
<b>Total Generating System Revenue Bonds</b>	\$ 84,085	\$ -	\$ 22,690	\$ 61,395	\$ 20,465

## Notes to Combined Financial Statements

### Water System

During the year ended December 31, 2024, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2023	Additions	Reductions	Balance Dec 31, 2024	Amounts due within one year
<b>2014 Revenue Bonds</b>	\$ 775	\$ -	\$ 775	\$ -	\$ -
<b>2017 Revenue and Refunding Bonds</b> Due in annual installments of \$930 - \$2,775 through January 1, 2037; interest at 5.00%.	24,255	-	2,405	21,850	2,515
<b>2019 Revenue Bonds</b> Due in annual installments of \$415 - \$860 through January 1, 2040; interest at 5.00%.	10,160	-	395	9,765	415
<b>2021 Revenue and Refunding Bonds</b> Due in annual installments of \$440 - \$915 through January 1, 2042; interest at 4.00% - 5.00%.	12,860	-	980	11,880	440
<b>2023 Revenue and Refunding Bonds</b> Due in annual installments of \$1,495 - \$2,560 through January 1, 2044; interest at 5.00%.	39,540	-	-	39,540	1,655
<b>Total Water System Revenue Bonds</b>	<b>\$ 87,590</b>	<b>\$ -</b>	<b>\$ 4,555</b>	<b>\$ 83,035</b>	<b>\$ 5,025</b>

### Debt Service

The District's revenue bond sinking fund requirements are as follows:

(in thousands)	Electric System			Generating System			Water System		
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
2025	\$ 13,706	\$ 20,000	\$ 33,706	\$ 2,047	\$ 8,120	\$ 10,167	\$ 3,817	\$ 5,275	\$ 9,092
2026	12,706	19,080	31,786	1,641	5,220	6,861	3,554	5,535	9,089
2027	11,752	17,050	28,802	1,380	5,480	6,860	3,277	5,230	8,507
2028	10,899	17,915	28,814	1,105	5,755	6,860	3,015	5,495	8,510
2029	10,004	15,655	25,659	818	6,045	6,863	2,741	4,720	7,461
2030-2034	38,136	78,415	116,551	1,858	7,565	9,423	10,313	22,425	32,738
2035-2039	19,574	65,340	84,914	187	2,745	2,932	5,126	18,915	24,041
2040-2044	5,357	40,660	46,017	-	-	-	1,213	10,415	11,628

# Notes to Combined Financial Statements

## Debt Service Reserve Accounts

The resolutions for outstanding bonds of the District require setting aside amounts in debt service reserve accounts equal to the lesser of maximum annual debt service for each bond series in any fiscal year or 125 percent of average annual debt service for each bond. At December 31, 2024, the debt service reserve accounts are fully cash funded.

Debt service reserve accounts as of December 31, 2024 and 2023 were as follows:

(in thousands)	Electric System	Generating System	Water System	December 31 2024	2023
Cash deposits	\$ 24,963	\$ 9,897	\$ 7,518	\$ 42,378	\$ 38,875

## Other Debt

### Lines of Credit

The District has authorized and issued subordinate lien revenue lines of credit for each of the systems to meet temporary cash requirements for capital and operating expenses.

The subordinate lien revenue line of credit notes for each of the systems are with Bank of America, N.A. in the amounts of \$20 million for the Electric System, \$20 million for the Generating System and \$2 million for the Water System, which mature July 1, 2026. The Generating System had an outstanding balance of \$9.1 million at December 31, 2024.

In January 2024, the District established an Electric System subordinate lien revenue credit agreement note with Bank of America, N.A. in the amount of \$10 million for the purpose of providing collateral for counterparty exposure with the Electric System, if needed. There is no amount outstanding on the Credit Agreement Note which matures July 1, 2026.

### Water System Other Debt

The District has participated with the state of Washington in financing various long-term capital improvements for the Water System. These funds have been provided from three sources – Public Works Trust Fund, Drinking Water State Revolving Fund, and the Department of Ecology. In order to participate in these financing vehicles the District matches funds with the loan awards. Loans are repaid over terms of 20 to 21 years, with annual interest rates from .25 percent to 1.5 percent. The current outstanding long-term obligations for the Water System reflect the total draw on the loan awards. The carrying amounts approximate the fair value since such loans are exclusive and have no market. Principal and interest payments on these outstanding obligations are as follows:

(in thousands)	Interest	Principal	Total	Outstanding Principal Balance
Balance on Dec. 31, 2024				\$ 7,341
2025	\$ 58	\$ 1,169	\$ 1,227	6,172
2026	50	1,118	1,168	5,054
2027	42	845	887	4,209
2028	36	845	881	3,364
2029	30	845	875	2,519
2030-2034	67	2,519	2,586	-

## Note 8:

### Pension Plans, Postemployment Benefits, and Deferred Compensation Plans

#### Pension Plans

District employees participate in a statewide local government retirement system administered by the Washington State Department of Retirement Systems (DRS). The Public Employee Retirement System (PERS) is a cost sharing multiple employer system that provides for retirement and disability benefits based upon compensation and length of service. PERS consists of three separate plans: Plan 1, Plan 2 and Plan 3. Plan 1 is a defined-benefit plan that covers employees hired prior to October 1, 1977. Plan 2 is a defined-benefit plan for employees hired into the PERS system on or after October 1, 1977. Beginning September 1, 2002, PERS statutes made available an optional Plan 3 for new employees and Plan 2 members. Plan 3 is a two-part system, consisting of an employer-funded defined-benefit component and an employee-funded defined-contribution component. At year-end all eligible active employees are Plan 2 or Plan 3 participants.

Each plan has specific calculations for eligibility, actuarial deductions, full retirement benefit payments, and survivor or disability payments. Detailed information on all plans is found on the DRS public website at [www.drs.wa.gov](http://www.drs.wa.gov). The general vesting and retirement eligibility criteria are outlined as follows:

	Defined benefit vesting	Eligibility for retirement
PERS 2	5 years of eligible service	At age 65 and vested At age 55 with 20 years of service at a reduced benefit
PERS 3	5-10 years, depending on age/previous PERS 2	At age 65 and vested At age 55 with 10 years of service at a reduced benefit

**PERS Funding Policy:** The District and all participating agencies are required to contribute to each plan at rates established by the state Pension Funding Council, using recommendations from the Office of the State Actuary. Each biennium the council sets employer contribution rates for Plan 1, Plan 2 and Plan 3, along with Plan 2 employee contribution rates. Employee contribution rates for Plan 3 are set by the Employee Retirement Benefits Board. The methods used to determine the contribution requirements are established under state statute.

## Notes to Combined Financial Statements

Plan 2 is funded by the employer and employee contributions and associated investment earnings. The Plan 3 defined-benefit component is funded by the employer contributions and the associated investment earnings. The Plan 3 defined-contribution component is funded by the employee contributions and associated investment earnings. The required contribution rates to the PERS retirement system as of December 31, 2024, are as follows:

	PERS 2	PERS 3
Employer	9.11%	9.11%
Employee	6.36%	5-15%

**Actuarial Assumptions - Pension:** The total pension liability (TPL) for each of the plans was estimated using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of Office of State Auditor's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for the subsequent events and law changes are current as of the 2023 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2023 to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation (economic)	2.75%
Active Member Payroll Growth	3.25%
Investment Rate of Return	7.00%

Mortality rates for active members, retirees, survivors and people with disabilities were developed using Pub. H-2010 Mortality rates published by the Society of Actuaries. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. Mortality rates are applied on a generational basis, meaning each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The long-term expected rate of return on DRS pension plan investments is forecast using a building block method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various times. The long-term expected rate of return of 7.00 percent approximately equals the median of the simulated investment returns over various future times.

**Estimated Rates of Return by Asset Class - Pension:** Best estimates of arithmetic real rates of return for each major class are included in the pension plan's target asset allocation as of June 30, 2024. The inflation component used to create the table is 2.50 percent and represents WSIB's most recent long-term estimate of broad economic inflation. A summary of the estimated rates of return by asset class are as follows:

Asset class	Target allocation	Long-term expected real rate of return arithmetic
Fixed income	19%	2.10%
Tangible assets	8%	4.50%
Real estate	18%	4.80%
Global equity	30%	5.60%
Private equity	25%	8.60%

**Discount Rate:** The discount rate used to measure the total DRS pension liability was 7.00 percent. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all the projected future benefit payments for current plan members. Based on those assumptions described in the OSA's certification letter within the DRS Annual Comprehensive Financial Report, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00 percent was used to determine the total liability.

**Pension Liability Sensitivity:** The following table reflects the impact of the discount rate assumptions on the District's proportionate share of net pension liability:

	1% decrease in discount rate 6.0%	Discount rate 7.0%	1% increase in discount rate 8.0%
(in thousands)			
Proportionate share of the PERS Plan 1 net pension liability (asset)	\$ 6,294	\$ 4,278	\$ 2,511
Proportionate share of the PERS Plan 2/3 net pension liability (asset)	\$ 18,487	\$ (10,255)	\$ (33,860)



## Notes to Combined Financial Statements

**Pension Plan Fiduciary Net Position:** Detailed information about each defined benefit pension plan's fiduciary net position is available in a separately issued DRS 2024 Annual Comprehensive Financial Report. The DRS Annual Comprehensive Financial Report may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

Any information obtained from the DRS is the responsibility of the state of Washington. The District's pension contribution amounts were verified by an internal review of the information provided by DRS. However, the District has relied on the information provided in the Washington State DRS Annual Comprehensive Financial Report and the Washington State DRS Participating Employer Financial Information (PEFI) obtained from DRS when recognizing pension cost for 2024 and 2023.

**Washington State Retirement System Pension Costs:** As of June 30, 2024, Washington State Department of Retirement Systems total pension liability for all covered entities included in the Washington State Annual Comprehensive Financial Report for PERS Plans 1 and 2/3 was as follows:

(in thousands)	PERS 1	PERS 2/3	Jun 30, 2024	Jun 30, 2023
Total pension liability	\$ 11,141,258	\$ 63,715,736	\$ 74,856,994	\$ 69,910,621
Plan fiduciary net position	9,364,420	67,012,309	76,376,729	71,726,572
Net pension liability (asset)	\$ 1,776,838	\$ (3,296,573)	\$ (1,519,735)	\$ (1,815,951)

**District's Proportionate Share of Pension Costs:** The District's proportionate share of the Washington State DRS PERS Plans 1 and 2/3 employer contributions were as follows:

	Jun 30, 2024	Jun 30, 2023
PERS 1	0.240811%	0.253830%
PERS 2/3	0.311085%	0.325792%

The District's net pension liability is the District's proportionate share of pension costs multiplied by the Washington State DRS total net pension liability. As of December 31, 2024, the District's proportionate share of the Washington State Retirement System net pension liability was as follows:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2024	Dec 31, 2023
Total net pension liability (asset)	\$ 4,278	\$ (10,255)	\$ (5,977)	\$ (7,559)

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net pension liability was based on the contributions received by PERS during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERS participating employers as well as the statutorily required contributions required to fund the unfunded actuarial accrued liability.

For the year ended December 31, 2024, the District has elected to use regulatory accounting to recognize pension expense in conjunction with the required employer contribution rates and corresponding District contributions for PERS Plans 1 and 2/3. (See Note 6: Regulatory Assets.)

The District's actual annual contributions to the PERS retirement system were as follows as of year-end:

(in thousands)	2024	2023	2022
District contributions	\$ 4,589	\$ 4,748	\$ 4,440

At December 31, 2024, the District reported its combined proportionate share of pension costs recorded as deferred outflows of resources from the following sources:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2024
Differences between expected and actual economic experience	\$ -	\$ 5,827	\$ 5,827
Differences between projected and actual investment earnings	-	-	-
Changes in actuarial assumptions	-	5,663	5,663
Changes in proportion	-	1,047	1,047
Contributions paid to PERS subsequent to the measurement date	621	1,558	2,179
Total	\$ 621	\$ 14,095	\$ 14,716

Amounts reported as deferred outflows of resources are projected to be recognized as an addition of the regulatory asset as follows:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2024
2025	\$ 621	\$ 4,336	\$ 4,957
2026	-	2,702	2,702
2027	-	2,581	2,581
2028	-	2,479	2,479
2029	-	1,106	1,106
Thereafter	-	891	891
Total	\$ 621	\$ 14,095	\$ 14,716

At December 31, 2024, the District reported its combined proportionate share of pension costs recorded as deferred inflows of resources from the following sources:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2024
Differences between expected and actual economic experience	\$ -	\$ (24)	\$ (24)
Differences between projected and actual investment earnings	(342)	(2,939)	(3,281)
Changes in assumptions	-	(650)	(650)
Changes in proportion	-	(106)	(106)
Total	\$ (342)	\$ (3,719)	\$ (4,061)

Amounts reported as deferred inflows of resources are projected to be recognized as an addition/reduction of the regulatory asset as follows:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2024
2025	\$ (566)	\$ (4,891)	\$ (5,457)
2026	291	1,965	2,256
2027	(31)	(423)	(454)
2028	(36)	(370)	(406)
2029	-	-	-
Thereafter	-	-	-
Total	\$ (342)	\$ (3,719)	\$ (4,061)

## Notes to Combined Financial Statements

### Postemployment Benefits Other Than Pensions (OPEB)

By resolution, the District provides 100% employer-paid postretirement medical, vision and prescription benefits for qualified retired employees and their eligible dependents until age 65, known as the retiree medical plan (plan). Employees hired after August 13, 2013 must be at least 55 years old and have 20 years of service. As of December 31, 2024 there were 26 retirees participating in the plan and 446 active employees.

The plan is funded by the District on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. The plan is accounted for under the requirements of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

For the year ended December 31, 2024, the District has elected to use regulatory accounting to recognize the changes in the OPEB liability and record the actual plan expenses each year. The changes in the OPEB liability are recognized as an addition to the regulatory OPEB expense. The District's actual annual OPEB expense was \$523,000 at year-end. (See Note 6: Regulatory Assets.)

**Actuarial Assumptions and other inputs - OPEB:** The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of pay for each year of employment between entry age (defined as age at hire) and assumed exit (until maximum retirement age). The portion of this actuarial present value allocated to a valuation year is called the normal cost.

The economic assumption for inflation is 2.75 percent. Projected payroll increases are assumed at a rate of 3.5 percent per year. The health cost trend rate is 5.5 percent trending down to 4.5 percent in 2028.

Demographic assumptions regarding retirement, withdrawal, and mortality are the rates applicable for PERS employees used in the June 30, 2021 actuarial valuation published by the Office of the State Actuary in Olympia, Washington.

The 3.26 percent discount rate assumption is the December 31, 2023 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer.

**OPEB Liability Sensitivity:** The following table reflects the impact of discount rate assumptions on the District's total OPEB liability.

(in thousands)	1% decrease	Current rate	1% increase
Healthcare cost trend rate	\$ 13,782	\$ 15,802	\$ 18,067
Discount rate	\$ 17,027	\$ 15,802	\$ 14,508

**Changes in Total OPEB Liability:** The Valuation Date is January 1, 2023. This is the date as of which the census data is gathered and the actuarial valuation is performed. The Measurement Date is December 31, 2023. This is the date as of which the total OPEB liability is determined. (See Note 5: Other Liabilities.)

The changes in the total OPEB liability for the measurement period ending December 31, 2023 are as follows:

(in thousands)	Increase (decrease) total OPEB liability
Balance as of Dec. 31, 2022	\$ 14,800
Changes for the year:	
Service cost	751
Interest on total OPEB liability	535
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	556
Expected benefit payments	(840)
Balance as of December 31, 2023	\$ 15,802

**Deferred Outflows and Inflows of Resources:** At December 31, 2024, the District reported deferred outflows and inflows of resources (See Note 6: Deferred Outflows and Inflows of Resources) from the following sources:

(in thousands)	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 1,127	\$ (506)
Changes of assumptions	953	(4,663)
Contributions subsequent to the measurement date	523	-
Total	\$ 2,603	\$ (5,169)

Amounts currently reported as deferred outflows and inflows of resources are projected to be recognized as an addition to the regulatory asset as follows:

For measurement period ending December 31 (in thousands)	
2024	\$ 326
2025	(208)
2026	(253)
2027	(306)
2028	(341)
Thereafter	(1,784)
Total	\$ (2,566)

### Deferred Compensation

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 457 and 401(k), permitting employees to contribute and defer a portion of their current salaries up to defined limits. As defined in Section 457 of the IRS Code, the District has placed the 457 deferred compensation plan assets into trust for the exclusive benefit of plan participants and beneficiaries.

# Notes to Combined Financial Statements

## Note 9:

### Refunded Bond Issues

As of December 31, 2024, the following revenue bond series have been extinguished through in-substance defeasance:

(in thousands)	Electric System	Generating System	Water System
Total	\$ 37,765	\$ -	\$ -

Debt service on refunded bonds is met by cash and investments held by the refunding trustees. The amounts held in trust are expected to fully fund debt service from principal and investment earnings. These refunded bonds constitute a contingent liability of the District only to the extent that cash and investments presently in the control of the refunding trustees are insufficient to meet debt service requirements. All refunded revenue bonds are excluded from the financial statements because the likelihood of additional funding requirements is considered remote.

## Note 10:

### Cash, Cash Equivalents and Sinking Funds

As of December 31, 2024, the District had the following cash, cash equivalents and investments at amortized cost:

Fair Value (in thousands)	2024	2023
State investment pool (LGIP)	\$ 385,516	\$ 344,109
Cash	60,783	61,900
Total cash, cash equivalents and sinking funds	\$ 446,299	\$ 406,009

It is the operating practice of the District to invest public funds in a manner that provides the highest invested return with the maximum security of invested funds. These principles are balanced against and conforming to all of Washington state statutes governing investment of public funds, meeting daily cash flow demands of the District and the management and oversight of investing public funds. The District considers all liquid investment securities to be cash equivalents, including sinking fund investments.

The Washington state investment pool (LGIP) is an unrated 2a-7-like pool, as defined by the Governmental Accounting Standards Board (GASB). The LGIP manages a portfolio of securities that meet maturity, quality, diversification and liquidity requirements set forth by GASB for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP funds are limited to high quality obligations with regulated maximum and average maturities to minimize both market and credit risk. Investments are reported on a trade date basis in accordance with generally accepted accounting principles (GAAP). The LGIP transacts with its participants as a stable net value per share of \$1.00, the same method used for reporting. Participants may contribute and withdraw funds on a daily basis. All participants are required to file with the State Treasurer documentation containing the names and titles of the officials authorized to contribute or withdraw funds. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

As of December 31, 2024, the state investment pool balance included the District bond reserve amount of \$42.4 million. (See Note 7: Current and Long-term Debt.)

### Interest Rate Risk

The District's balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days.

### Credit Risk

As required by state law, all cash and investments of the District are invested in obligations of the U.S. Government and its agencies, the LGIP, or deposits with Washington state banks. The District's deposits in Washington state banks are entirely covered by federal depository insurance (FDIC) or collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission. The District's investments or deposits held by the LGIP are all classified as category 1 risk level investments. The LGIP investment portfolio is presented in the state of Washington's June 30, 2024 Annual Comprehensive Financial Report.

## Note 11:

### Conservation Funds

For many years, the District promoted energy conservation by providing loans and grants for weatherization, heat pump and market transformation programs. During 1999, a loan program began whereby the District provided conservation loans for up to seven years at 3.5 percent to 6.0 percent interest. As of December 31, 2023 the District dissolved the loan program for new loans and continues to service existing loans.

## Note 12:

### Subscription-Based Information Technology Arrangements

The District's SBITAs are primarily subscription software used throughout its Electric System operations. Total subscription assets and related accumulated amortization at December 31, 2024 are as follows:

(in thousands)	2024
SBITA assets	\$ 683
Accumulated amortization	(127)
Net SBITA assets	\$ 556

SBITA assets and liabilities are reported at present value using the District's incremental borrowing rate unless a discount rate is specified in the contract terms. Amortization is recorded on a yearly basis. Principal and interest requirements to maturity for SBITAs are as follows:

(in thousands)	Principal	Interest
2025	\$ 128	\$ 13
2026	122	19
2027	116	25
Total	\$ 366	\$ 57

## Required Supplementary Information

Public Utility District No. 1 of Clark County

### Schedule of Proportionate Share of Net Pension Liability

Measurement date June 30

(in thousands, except percentages)

	2024	2023	2022	2021	2020
<b>PERS 1</b>					
Proportion of the net pension liability	0.240811%	0.253830%	0.261638%	0.269690%	0.260725%
Proportionate share of the net pension liability	\$ 4,279	\$ 5,794	\$ 7,285	\$ 3,293	\$ 9,205
Covered payroll PERS 1	\$ -	\$ 84	\$ 85	\$ 64	\$ 302
Covered payroll PERS 2/3	51,623	45,038	42,421	41,264	38,790
Total covered payroll	\$ 51,623	\$ 45,122	\$ 42,506	\$ 41,328	\$ 39,092
Proportionate share of the net pension liability as a percentage of its covered payroll	8.3%	12.8%	17.1%	8.0%	23.5%
Plan fiduciary net position as a percentage of the total pension liability	84.1%	80.2%	76.6%	88.7%	68.6%
<b>PERS 2/3</b>					
Proportion of the net pension liability	0.311085%	0.325792%	0.339363%	0.344998%	0.332973%
Proportionate share of the net pension liability (asset)	\$ (10,255)	\$ (13,353)	\$ (12,586)	\$ (34,367)	\$ 4,259
Covered payroll	\$ 51,623	\$ 45,038	\$ 42,421	\$ 41,264	\$ 38,790
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(19.9)%	(29.6)%	(29.7)%	(83.3)%	11.0%
Plan fiduciary net position as a percentage of the total pension liability	105.2%	107.0%	106.7%	120.3%	97.2%

### Schedule of Contributions

As of December 31

(in thousands, except percentages)

	2024	2023	2022	2021	2020
<b>PERS 1</b>					
Contractually required contribution	\$ 1,407	\$ 1,586	\$ 1,702	\$ 1,828	\$ 1,917
Covered payroll	\$ 50,939	\$ 46,623	\$ 45,163	\$ 41,992	\$ 39,879
Contributions as a percentage of covered payroll	2.8%	3.4%	3.8%	4.4%	4.8%
<b>PERS 2/3</b>					
Contractually required contribution	\$ 3,241	\$ 2,963	\$ 2,866	\$ 3,021	\$ 3,153
Covered payroll	\$ 50,939	\$ 46,594	\$ 45,067	\$ 41,917	\$ 39,817
Contributions as a percentage of covered payroll	6.4%	6.4%	6.4%	7.2%	7.9%

### Notes to RSI Schedules

1) Factors that significantly affect trends in the amounts reported in the schedule include changes in benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions such as the discount rate. DRS allocates a portion of contributions from PERS 2/3 to PERS 1 in order to fund its unfunded actuarially accrued liability (UAAL) pursuant to RCW 41.45.060.

2) The District's actual contributions represented in Note 8 are different from the amounts reflected in the schedule of contributions shown and are the result of payment timing differences and fees. Covered payroll is the payroll on which the contributions to a pension plan are based. Therefore, Plan 1 covered payroll also includes Plan 2/3 payroll in order to fund the Plan 1 UAAL.



## Required Supplementary Information

Public Utility District No. 1 of Clark County

### Schedule of Proportionate Share of Net Pension Liability - continued from previous page

Measurement date June 30

(in thousands, except percentages)

	2019	2018	2017	2016	2015
<b>PERS 1</b>					
Proportion of the net pension liability	0.272053%	0.278681%	0.283048%	0.295011%	0.307228%
Proportionate share of the net pension liability	\$ 10,461	\$ 12,446	\$ 13,431	\$ 15,843	\$ 16,071
Covered payroll PERS 1	\$ 410	\$ 490	\$ 333	\$ 382	\$ 472
Covered payroll PERS 2/3	37,220	35,871	34,926	34,306	34,149
Total covered payroll	\$ 37,630	\$ 36,361	\$ 35,259	\$ 34,688	\$ 34,621
Proportionate share of the net pension liability as a percentage of its covered payroll	27.8%	34.2%	38.1%	45.7%	46.4%
Plan fiduciary net position as a percentage of the total pension liability	67.1%	63.2%	61.2%	57.0%	59.1%
<b>PERS 2/3</b>					
Proportion of the net pension liability	0.342022%	0.346350%	0.356236%	0.368815%	0.384777%
Proportionate share of the net pension liability (asset)	\$ 3,322	\$ 5,914	\$ 12,377	\$ 18,570	\$ 13,748
Covered payroll	\$ 37,220	\$ 35,871	\$ 34,926	\$ 34,306	\$ 34,149
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	8.9%	16.5%	35.4%	54.1%	40.3%
Plan fiduciary net position as a percentage of the total pension liability	97.8%	95.8%	91.0%	85.8%	89.2%

### Schedule of Contributions

As of December 31

(in thousands, except percentages)

	2019	2018	2017	2016	2015
<b>PERS 1</b>					
Contractually required contribution	\$ 1,944	\$ 1,901	\$ 1,791	\$ 1,676	\$ 1,509
Covered payroll	\$ 38,584	\$ 36,941	\$ 35,942	\$ 34,681	\$ 33,963
Contributions as a percentage of covered payroll	5.0%	5.1%	5.0%	4.8%	4.4%
<b>PERS 2/3</b>					
Contractually required contribution	\$ 2,937	\$ 2,739	\$ 2,419	\$ 2,139	\$ 1,886
Covered payroll	\$ 38,131	\$ 36,525	\$ 35,474	\$ 34,331	\$ 33,569
Contributions as a percentage of covered payroll	7.7%	7.5%	6.8%	6.2%	5.6%

## Required Supplementary Information

Public Utility District No. 1 of Clark County

### Schedule of Changes in Total OPEB Liability and Related Ratios

For measurement period ended December 31

(in thousands, except percentages)

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>							
Service cost	\$ 751	\$ 663	\$ 878	\$ 838	\$ 1,015	\$ 958	\$ 870
Interest on total OPEB liability	535	323	313	406	772	603	631
Changes of benefit terms	-	-	-	-	-	-	-
Effect of economic/demographic gains (losses)	-	783	-	(724)	-	1,280	-
Effect of assumption changes or inputs	556	(2,263)	73	(3,688)	559	(452)	490
Expected benefit payments	(840)	(769)	(763)	(826)	(1,171)	(1,126)	(1,379)
Net change in total OPEB liability	\$ 1,002	\$ (1,263)	\$ 501	\$ (3,994)	\$ 1,175	\$ 1,263	\$ 612
Total OPEB liability, beginning	\$ 14,800	\$ 16,063	\$ 15,562	\$ 19,556	\$ 18,381	\$ 17,118	\$ 16,506
Total OPEB liability, ending	15,802	14,800	16,063	15,562	19,556	18,381	17,118
Covered employee payroll	\$ 46,663	\$ 43,122	\$ 41,674	\$ 40,265	\$ 38,704	\$ 37,074	\$ 36,009
Total OPEB liability as a percentage of covered employee payroll	33.86%	34.32%	38.54%	38.65%	50.53%	49.58%	47.54%

#### Notes to RSI Schedules

- 1) There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- 2) There are no changes of benefit terms.
- 3) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.
- 4) Covered employee payroll is provided from the actuarial report and determined as of the measurement date.

# Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

## Electric System

In thousands, except for interest rates

Maturity Date	Series 2012		Series 2014		Series 2016		Series 2018		Series 2020		Series 2022		Series 2024		Total	Remaining Bonds Outstanding
	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate		
2025	\$ 1,660	5.000	\$ 3,220	5.000	\$ 7,900	5.000	\$ 1,375	5.000	\$ 1,420	5.000	\$ 1,680	5.000	\$ -	-	\$ 17,255	\$ 274,115
2026					8,300	5.000	1,445	5.000	1,490	5.000	1,765	5.000	7,000	5.000	20,000	254,115
2027					8,715	5.000	1,515	5.000	1,565	5.000	1,850	5.000	5,435	5.000	19,080	235,035
2028					6,175	5.000	1,590	5.000	1,645	5.000	1,945	5.000	5,695	5.000	17,050	217,985
2029					6,485	5.000	1,670	5.000	1,730	5.000	2,040	5.000	5,990	5.000	17,915	200,070
2030					3,660	5.000	1,755	5.000	1,815	5.000	2,140	5.000	6,285	5.000	15,655	184,415
2031					3,845	5.000	1,845	5.000	1,905	5.000	2,250	5.000	6,605	5.000	16,450	167,965
2032					2,220	5.000	1,935	5.000	2,000	5.000	2,360	5.000	6,930	5.000	15,445	152,520
2033					2,335	5.000	2,030	5.000	2,100	5.000	2,480	5.000	7,275	5.000	16,220	136,300
2034					2,450	5.000	2,135	5.000	2,205	5.000	2,605	5.000	5,385	5.000	14,780	121,520
2035					2,575	5.000	2,240	5.000	2,315	5.000	2,735	5.000	5,655	5.000	15,520	106,000
2036					2,700	5.000	2,350	5.000	2,430	5.000	2,870	5.000	3,690	5.000	14,040	91,960
2037					2,835	5.000	2,470	5.000	2,550	5.000	3,015	5.000	3,870	5.000	14,740	77,220
2038							2,595	5.000	2,680	5.000	3,165	5.000	4,065	5.000	12,505	64,715
2039							2,720	5.000	2,815	5.000	3,325	5.000	4,270	5.000	13,130	51,585
2040									2,955	5.000	3,490	5.000	4,480	5.000	10,925	40,660
2041									3,100	5.000	3,665	5.000	4,705	5.000	11,470	29,190
2042											3,850	5.000	4,940	5.000	8,790	20,400
2043											4,040	5.000	5,190	5.000	9,230	11,170
2044													5,450	5.000	5,450	5,720
2045													5,720	5.000	5,720	-
Total	\$ 1,660		\$ 3,220		\$ 60,195		\$ 29,670		\$ 36,720		\$ 51,270		\$ 108,635		\$ 291,370	

## Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

### Generating System

In thousands, except for interest rates

Maturity Date	Series 2012A		Series 2012B		Series 2016		Series 2018		Series 2022		Total	Remaining Bonds Outstanding
	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate		
2025	\$ 11,265	5.000	\$ 1,470	3.293	\$ 1,020	5.000	\$ 3,000	5.000	\$ 3,710	5.000	\$ 20,465	\$ 40,930
2026					1,070	5.000	3,150	5.000	3,900	5.000	8,120	32,810
2027					1,125	5.000			4,095	5.000	5,220	27,590
2028					1,180	5.000			4,300	5.000	5,480	22,110
2029					1,240	5.000			4,515	5.000	5,755	16,355
2030					1,305	5.000			4,740	5.000	6,045	10,310
2031					1,370	5.000					1,370	8,940
2032					1,435	5.000					1,435	7,505
2033					1,510	5.000					1,510	5,995
2034					1,585	5.000					1,585	4,410
2035					1,665	5.000					1,665	2,745
2036					1,745	5.000					1,745	1,000
2037					1,000	5.000					1,000	-
Total	\$ 11,265		\$ 1,470		\$ 17,250		\$ 6,150		\$ 25,260		\$ 61,395	



## Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

### Water System

In thousands, except for interest rates

Maturity Date	Series 2017		Series 2019		Series 2021		Series 2023		Total	Remaining Bonds Outstanding
	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate		
2025	\$ 2,515	5.000	\$ 415	5.000	\$ 440	5.000	\$ 1,655	5.000	\$ 5,025	\$ 78,010
2026	2,645	5.000	435	5.000	460	5.000	1,735	5.000	5,275	72,735
2027	2,775	5.000	455	5.000	485	5.000	1,820	5.000	5,535	67,200
2028	2,335	5.000	480	5.000	505	5.000	1,910	5.000	5,230	61,970
2029	2,455	5.000	500	5.000	535	5.000	2,005	5.000	5,495	56,475
2030	1,535	5.000	525	5.000	560	5.000	2,100	5.000	4,720	51,755
2031	930	5.000	555	5.000	585	5.000	2,210	5.000	4,280	47,475
2032	980	5.000	580	5.000	615	4.000	2,320	5.000	4,495	42,980
2033	1,025	5.000	610	5.000	640	4.000	2,435	5.000	4,710	38,270
2034	1,080	5.000	640	5.000	665	4.000	2,560	5.000	4,945	33,325
2035	1,135	5.000	670	5.000	695	4.000	1,495	5.000	3,995	29,330
2036	1,190	5.000	705	5.000	720	4.000	1,570	5.000	4,185	25,145
2037	1,250	5.000	740	5.000	750	4.000	1,650	5.000	4,390	20,755
2038			780	5.000	780	4.000	1,730	5.000	3,290	17,465
2039			815	5.000	810	4.000	1,815	5.000	3,440	14,025
2040			860	5.000	845	4.000	1,905	5.000	3,610	10,415
2041					875	4.000	2,000	5.000	2,875	7,540
2042					915	4.000	2,100	5.000	3,015	4,525
2043							2,205	5.000	2,205	2,320
2044							2,320	5.000	2,320	-
Total	\$ 21,850		\$ 9,765		\$ 11,880		\$ 39,540		\$ 83,035	

## Selected Financial Data and Statistics - Unaudited

Public Utility District No. 1 of Clark County

### Comparative Statements of Income from Electric System Operations (in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues	\$ 499,494	\$ 457,627	\$ 446,017	\$ 421,493	\$ 359,562	\$ 374,051	\$ 370,902	\$ 382,722	\$ 374,647	\$ 379,227
Operating expenses	495,403	454,812	417,818	373,018	340,118	352,844	343,936	344,539	339,617	342,301
Operating income	4,091	2,815	28,199	48,475	19,444	21,207	26,966	38,183	35,030	36,926
Non-operating revenues (expenses)	(3,083)	(1,384)	(6,665)	(12,460)	(12,803)	(10,964)	(12,054)	(12,699)	(15,701)	(14,553)
Net income (loss)	\$ 1,008	\$ 1,431	\$ 21,534	\$ 36,015	\$ 6,641	\$ 10,243	\$ 14,912	\$ 25,484	\$ 19,329	\$ 22,373

### Electric System Statistics

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Electric energy delivered megawatt hours (in thousands)</b>										
Residential	2,653	2,671	2,692	2,584	2,483	2,438	2,365	2,525	2,289	2,270
Commercial	1,344	1,342	1,358	1,312	1,237	1,312	1,310	1,335	1,292	1,287
Industrial	738	750	763	758	731	740	765	749	720	724
Off-system sales	854	585	720	677	727	699	796	593	907	1,033
Miscellaneous	22	23	21	21	23	25	25	29	28	29
Total	5,611	5,371	5,554	5,352	5,201	5,214	5,261	5,231	5,236	5,343
<b>Average revenue per kWh (in cents)</b>										
Residential	10.41	9.25	9.22	9.24	9.25	9.26	9.27	9.17	9.25	9.24
Commercial	8.38	7.45	7.39	7.40	7.46	7.41	7.41	7.37	7.38	7.38
Industrial	6.04	5.57	5.56	5.56	5.57	5.56	5.56	5.57	5.57	5.58
Miscellaneous	16.82	15.15	15.54	14.82	14.20	14.21	14.10	12.15	13.68	13.51
Average - all classes	9.19	8.19	8.16	8.15	8.18	8.14	8.12	8.09	8.07	8.10

#### Average number of customers

Residential	217,653	213,069	207,817	203,039	197,577	193,221	188,131	183,880	180,241	176,605
Commercial	18,670	18,263	17,798	17,599	17,240	16,924	16,527	16,130	15,703	15,449
Industrial	31	31	28	28	29	29	29	29	29	29
Miscellaneous	1,611	1,587	1,580	1,555	1,545	1,530	1,524	1,484	1,448	1,465
Total - all classes	237,965	232,950	227,223	222,221	216,391	211,704	206,211	201,523	197,421	193,548

#### Average annual kWh used per customer

Residential	12,191	12,538	12,952	12,729	12,568	12,615	12,570	13,734	12,698	12,853
Commercial	71,968	73,466	76,316	74,531	71,746	77,518	79,272	82,764	82,263	83,333
Industrial	23,805,620	24,206,113	27,246,419	27,063,714	25,192,395	25,530,416	26,365,602	25,830,198	24,842,179	24,969,726
Miscellaneous	13,481	14,009	13,313	13,821	15,101	15,940	16,687	19,379	19,027	19,570

## Selected Financial Data and Statistics - Unaudited

Public Utility District No. 1 of Clark County

### Comparative Statements of Income from Water System Operations (in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues	\$ 23,350	\$ 21,431	\$ 22,302	\$ 22,462	\$ 20,991	\$ 19,430	\$ 20,966	\$ 18,685	\$ 17,389	\$ 17,471
Operating expenses	20,080	18,397	18,515	18,059	16,302	15,606	15,001	14,268	13,324	12,690
Operating income	3,270	3,034	3,787	4,403	4,689	3,824	5,965	4,417	4,065	4,781
Non-operating revenues (expenses)	(752)	(443)	(1,564)	(1,616)	(1,868)	(1,507)	(1,484)	(2,375)	(1,964)	(539)
Net income (loss)	\$ 2,518	\$ 2,591	\$ 2,223	\$ 2,787	\$ 2,821	\$ 2,317	\$ 4,481	\$ 2,042	\$ 2,101	\$ 4,242

### Water System Statistics

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Cubic feet delivered (in thousands)</b>										
Residential	457,820	473,418	433,378	467,058	416,535	390,893	412,919	382,318	357,535	382,190
Commercial	86,969	86,583	71,828	72,953	61,319	66,246	67,174	60,565	56,742	53,478
Miscellaneous	114,596	119,160	112,238	110,540	87,240	76,365	84,273	77,882	72,996	76,807
Total	659,385	679,161	617,444	650,551	565,094	533,504	564,366	520,765	487,273	512,475

#### Average revenue per cubic foot (in cents)

Residential	2.96	2.89	2.94	2.86	2.92	2.94	2.90	2.92	2.92	2.87
Commercial	2.88	2.84	2.86	2.83	2.87	2.81	2.83	2.78	2.75	2.74
Miscellaneous	2.76	2.75	2.75	2.71	2.75	2.73	2.73	2.72	2.70	2.70
Average - all classes	2.91	2.86	2.90	2.83	2.89	2.89	2.86	2.87	2.87	2.83

#### Average number of customers

Residential	38,781	37,960	37,172	36,278	35,271	34,376	33,373	32,276	31,384	30,673
Commercial	1,537	1,502	1,413	1,365	1,327	1,294	1,253	1,167	1,104	1,076
Miscellaneous	736	743	747	750	752	756	758	761	760	753
Total - all classes	41,054	40,205	39,332	38,393	37,350	36,426	35,384	34,204	33,248	32,502

#### Average annual cubic feet used per customer

Residential	11,805	12,471	11,659	12,874	11,810	11,371	12,373	11,845	11,392	12,460
Commercial	56,584	57,645	50,834	53,446	46,209	51,195	53,610	51,898	51,397	49,701
Miscellaneous	155,702	160,377	150,252	147,387	116,010	101,012	111,178	102,342	96,047	102,001



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