

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, November 24, 2020

AGENDA

ONE TIME USE Call in number option: 888-387-8686 (Participant Pin No. 7737637#)
Due to the office closure associated with COVID-19 precautionary standards, we will not have public present at our meeting.

KPUD Commission Meeting Start Time – 1:00 p.m. as Advertised, Commissioners and staff will enter into Executive Session under RCW 42.30.110 (1)(i) Potential Litigation Mile Marker 28 Fire.

Regular Meeting Start Time – 2:00 p.m.

Location: 1313 S. Columbus Ave. – Goldendale, WA

AGENDA ITEMS - (see Manager's Report for further details)

A. Executive Session: MM28 Mediation (Jim Smith)

Open Regular Meeting at – 2:00 p.m.

➤ **PLEDGE OF ALLEGIANCE**

- Approval of Minutes - 11/10/2020 Meeting
- Approval of Claims/Vouchers for period ending 11/24/2020 (Cynthia)
- Approval of Payroll for periods ending 11/08/2020 (Cynthia)

➤ **PUBLIC COMMENT PERIOD**

REPORTS – 10 min. each:

- Water-Wastewater October Report (Jim)
- Engineering October Report (Ron)
- Renewable Energy Assets (Kevin)
- October Financial Report (Accounting)
- Commissioners' Reports
- Assistant General Manager Report (Gwyn Miller)
- Manager's Bi-Monthly Report (Jim Smith)
-(see attached report)

GUESTS:

- Jena Maclean - Perkins Coie
- Meredith Warner - Perkins Coie

AGENDA ITEMS CONTINUED - (see Manager's Report for further details)

B. Prequalification of Professional Services Consultant (Ron Schultz)

C. Draft Budget Review - 3rd Draft (Mike DeMott, Gwyn Miller, Jim Smith)

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

- **WPUDA Annual Conference: December 2-4 (virtual)**
- **Budget Approval Hearing: December 8, 2020**



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the November 24, 2020 Meeting

AGENDA ITEMS:

- A. Executive Session: MM28 Mediation - Potential Litigation. Jena MacLean and Meredith Weinberg from Perkins Coie will be present via phone conference.
- B. Prequalification of Professional Services Consultant - Staff is requesting approval of Comtech Audio Theater Security for the 2020-2021 period.
- C. Draft Budget Review: 3rd Draft - Staff will run through changes to the budget discussed last Board meeting. You will also receive the final Budget package and if there are no changes, then this will be the budget presented at the public hearing.

NON-AGENDA ITEMS:

1. **SpaceX Starlink** - last meeting we discussed comments from County Commissioner elect Jacob Anderson regarding a potential beta test for satellite broadband in the County. It was regarding a satellite internet service being developed by Space-X called Starlink. After discussions and research, there is not really a formal program as of yet. To be involved, you merely make a request via a web link, which has very little information. Space-X has been accepting applications like this from interested parties in the Pacific Northwest for several months. Just recently, some of the folks who completed the application have been contacted and they have been delivered equipment. They are being charged \$500 for the equipment and then \$100 a month. It appears they are rolling this trial out as equipment is produced. There is no formal contact path to determine how big this trial will be or whether it will just turn into regular service. There are also no timelines or numbers of services that might be made available that I can find, although the target market is definitely rural areas. Reports from users indicate excellent speeds and low latency that are significantly better than other options they can find. We will report back if more information becomes available.
2. **PPC Position LSRDs** - I am happy with the position that PPC ultimately took with respect to the value of the Lower Snake River Dams to the region. The document is attached for your reference.

3. **PGP WA State Legislative Session Backdrop** - Matt Steurwalt provided the following perspectives on the upcoming legislative session. The election resulted in no change in numbers of seats, but considerable change in people and attitudes. There are more extreme Ds and more extreme Rs. Matt thinks that passing energy and climate policy changes will likely be easier as a result.

The current budget period that ends June 30, 2021, is much improved from earlier estimates. Forecast is now a \$150M deficit now on a \$50B budget. The next budget period (2021 - 2023) is estimated to be \$2B short.

No changes appear to be happening in transportation budget performance, which has a \$1B deficit. Carbon tax could solve this in future years.

A carbon cap and trade bill is likely this session. More thought is going into social and economic injustice issues (i.e. carbon emitting plants running in poor air quality or poor economic areas using purchased carbon credits). Legislators are showing interest in linking to other jurisdictions, not just a Washington program. We will need to account for an estimated 50 – 90% electric sector growth if carbon reduction spreads to include all sectors as electrification will be a part of that.

There will likely be a Low Carbon Fuel Standard (LCFS) bill as well, which will be a newer version of past bills by Fitzgibbon. Matt suggested that if Hobbs and King continue to be road blocks in Transportation, the bill could be redone and not even go to Transportation if there is enough desire for an LCFS solution. LCFS impacts of 2 cents per gasoline of gasoline in BC has been reported, but programs start out slow. Many oil companies are realizing that they need a lower carbon alternative to the fuels they have today or they will lose their customers.

Fitzgibbon also has a hydrogen fuel cell bill and Senator King is talking about a carbon tax bill.